

THE Hongkong Weekly Press

AND China Overland Trade Report.

VOL. LXII.]

HONGKONG, MONDAY, 18TH SEPTEMBER, 1905.

No. 12

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BIRTHS.

On 3rd August, in England, the wife of E. T. BOND, of Canton, of a son.
On 1st September, at Shanghai, the wife of W. J. BARKINS, of a son.
On 1st September, at Shanghai, the wife of W. J. BARKUS, of a son.
On 2nd September, at 2, Muirhead Road, Shanghai, the wife of N. WALLACE, of a daughter.
On 3rd September, at Yokohama, Mrs. N. G. MAITLAND, of a son.
On 8th September, at Shanghai, the wife of I. E. DELBURGO, of a daughter.
On 10th September, at Kobe, Japan, the wife of WALTER RUSSELL MC ALLUM, Hongkong and Shanghai Banking Corporation, of a daughter.

MARRIAGES.

On 6th September, at Shanghai, LEWIS PRICE THOMAS to ELIZABETH DUNN.
On 7th September, at Kolding, Denmark, ROBERT BERNER to AGNETA MÖLLER.

DEATHS.

On 2nd September, J. J. WOODS, I.M. Customs, Shanghai.
On 5th September, at the Military Hospital, Lackay (Tonkin), JULIUS NEUMANN, Commissioner of Customs, aged 55 years.

Hongkong Weekly Press.

HONGKONG OFFICE: 10A, DES VŒUX ROAD CL.
LONDON OFFICE: 131, FLEET STREET, E.C.

ARRIVAL OF MAILS.

The German Mail of August 15th arrived, per the s.s. *Bayeri*, on Tuesday, the 12th inst.; and the French Mail of August 18th is expected to arrive, per the s.s. *Caledonien*, some time to-morrow.

EPITOME OF THE WEEK.

Shanghai now has six thousand Japanese residents.

The rice crop in Japan is expected to be 20 per cent below last year's; but the Korean crop is a good one.

The Manila police effected 1,072 arrests during August, and recovered stolen money to the amount of two pesos.

It was reported in Japan that King Edward had sent a congratulatory telegram to the Mikado on the conclusion of peace.

Captain Meyer, of the N.-D. L. S. *Preussen* which brought out Prince and Princess Arisugawa, has been decorated by the Mikado with the Fourth Class order of the Rising Sun.

The following telegraphic advices have been received by Messrs Benjamin, Kelly and Potts from Singapore.—The Raub crushing for the past four weeks produced 753 ounces smelted gold from 6,077 tons of stone.

Mr. Willis E. Gray, of Shanghai, has entered a suit against the American China Development Company for \$45,000. The claim is for damages for alleged breach of contract. It is expected to be set down for hearing about the 16th inst.

The two new C. P. R. steamers, to be launched in October and November next, are not to be called *Empress of Austria* and *Empress of Germany*, as at first announced, but *Empress of Britain* and *Empress of Ireland*.

The gallantry of the captain, officers, and boat's crew of the str. *Albenga*, who rescued the crew of the foundering str. *Pechili*, during the recent heavy gale was marked by a presentation at the rooms of the Mercantile Marine Officer's Association at Shanghai.

A table cloth, which the Russian destroyed, with Admiral Rozhdestvensky, used in the battle of the Japan Sea as a flag of truce, has lately arrived at the Tokyo Naval Departments. The cloth, or the white flag, 7½ by 4½ feet, will shortly be exhibited before the public as a souvenir of the great naval battle.

A new bank has just started business in Shanghai under the name of the Commercial Bank and Trust Company. Connections have been formed with some of the leading American banks and, besides general banking business, the new firm will act as a trust and surety company. Fuller details are promised shortly.

On the 15th September His Excellency the Governor entertained the children of the soldiers of the Garrison, with their parents, at Mountain Lodge. Games were indulged in, races were run, and suitable refreshments were provided for all. Each child also received a memento of the occasion, and both young and old seemed to appreciate the ample arrangements made for their enjoyment.

A native Filipino paper says:—"Let the Chinese and the Cantonese take care what they are doing. The Filipinos do not have to migrate to other countries to make a living; we find comfort in our own blessed country. In the Philippines, there are a great number of chinos who are protected by the law and well treated, but this tolerance may disappear if the boycott against the goods of our brother nation continues. Let the chinos beware."

The Shanghai boycott against American products is ended. The Standard Oil Company is doing a large business in open market.

The Attorney-General has declined to file an indictment against Private Detective P. S. Ledbury, who was committed for trial on the charge of committing perjury before Mr. A. Seth, I.S.O., Registrar, in connection with a divorce case now pending in Edinburgh between T. A. Mitchell and Henrietta Mitchell, of Kowloon.

An interesting sidelight was thrown on Chinese business methods at the Supreme Court on Sept. 15th, when it transpired that a contract for some building work had been let to a certain firm, who sublet it to another firm and the latter in turn to another firm. The firm who did the work had to sue for payment and the hearing of the case entailed the appearance of the contractor and the three, sub-contractors.

A Swatow correspondent says:—Evidence of the stagnation in shipping circles which is upon us, is the presence of two empty steamers in the port. These have been lying here for three weeks, one of them moving to a position less in the way of the usual callers. Freights are on the down-grade; and the resumption of their duties by the regular Osaka liners points to a longer list of unemployed "tramps" in the near future. Tightness of money in the Viceroy's yamen at Canton is making itself felt here.

Up till now, the efforts of the salvors under Mr. Jack, of Messrs. E. C. Wilks and Co., Hongkong, to take the French cruiser *Sully* from the rocks have not met with success. Considerable progress had been made with the work, the vessel having been raised about 12 feet, but this was undone by the recent typhoon. The salvage party are still hopeful of attaining the desired result, and they are now repairing the cruiser's bottom and blasting away the rocks on which she is resting. Fortunately the *Sully* escaped further damage by the typhoon.

At a meeting of Chinese interested in cargo bought of foreigners and stored at the public wharves, damaged by the typhoon and flood at Shanghai, it was decided that the loss by water damage should be divided into three parts, and that the wharves should be asked to pay one-third, and the foreign sellers of the cargo one-third, the remaining third being borne by the Chinese buyers. It is evident from this that the Chinese at any rate do not think that the wharves can be held responsible for the whole loss, the question that was to be discussed at the meeting of the General Chamber of Commerce.

In 1903, the output of coal in Japan was 10,088,845 tons and the number of persons employed in the workings was 14,941. The number of persons killed was 215 and the death-rate per 1,000 employed was 2.53. During the same year in India, the output of coal was 7,438,386 tons, the number of persons employed 86,138, the number of deaths 97, and the death-rate per 1,000 employed 1.13. This information is derived from a blue book—Part IV, Colonial and Foreign Statistics, Mines and Quarries—just issued by the Home Office. It proves that the safety of the Indian coal mines is confirmed by even international comparison.

REMARKABLE FLOODS AT SHANGHAI.

(Daily Press 9th September.)

Shanghai folk are apt to speak pityingly of their neighbours in Hongkong, whom they picture as sweltering and miserable in perpetual torridity and unconquerable ill-health. Yet this year Shanghai has suffered more from heat than Hongkong has done; and now it appears we may extend our sympathy to them in consequence of the typhoon, which hit them much harder than it did us. Certainly these typhoon floods are not of regular occurrence at the northern port. Their climate goes to extremes every year; but it is only about twice in a century that they suffer from such floods as the one accompanying the recent typhoon. It is over fifty years ago since they had such a catastrophe, and then the inundation was about two feet lower than it was during the opening days of this month. Our contemporary the *N.C. Daily News*, in its issue of the 4th instant, devotes over three long columns to a record of the "immense damage" done. The greater part of the Settlement was under water, and we can well understand how strange everything looked, and how awkwardly situated the residents must have found themselves. Sampons plying for hire in the streets of this Oriental Venice *pro tem*! It is also gravely recorded that young men removed their clothing and swam from office to mess! "Bouts were as numerous in the streets as rickshas," we are told; and in such circumstances, we could have conceived them as more numerous. At Pootung, the low lying district on the opposite side of the river, houses were washed away and several natives drowned. Many sampans and junks were wrecked, and, presumably, more lives lost. In Frenchtown, where the boulevards were beautiful with well-cared-for trees, these ornaments were uprooted in considerable numbers; and on the English side, "the Public Garden looked a wreck." One ricksha coolie was electrocuted by a fallen wire. Cellars everywhere were flooded, of course, and in certain cases the fire engines were used to pump them dry. Goods in godowns were destroyed wholesale, and our contemporary regards from eight to ten millions of taels as a moderate estimate of the loss so sustained. Chinese merchants who had American goods tied up by the boycott must have felt particularly unhappy. "Piece goods, silk, tea, flour, rice, stocks of these and other commodities have been irretrievably damaged, and the losses to some firms are very serious indeed. A question has naturally arisen as to the responsibility of the Wharf and Godown Companies, but," says our contemporary, "without venturing into any question of law, it is difficult to see how preparations could be made to meet such an unexpected contingency as Friday's flood. Many victims were going about on Saturday trying to argue that a typhoon did not come under what, in insurance parlance, is called an 'Act of God.'" In the insurance claims and litigation that may follow, we take it there will be no question of "preparing to meet" a typhoon. Clearly, at a place where a river is so prone to overflow, policies ought to be made to cover damage by flooding. The Shanghai and Hongkew Company lost their fences, and part of the roof of the local manager's house. For two days Shanghai was without electric fans or lights, the transforming stations of the Electric Light Works being flooded and damaged. "Hundreds of lives" were lost at Pootung; six dead bodies being removed from one house. Corpses and coffins were noticed floating

past Woosung. At the latter place, what is called the Beggars' Village was quite swept away. Taking a calmer survey subsequently, our contemporary seems to consider that (with the exception of the damaged godown stocks) Shanghai got off rather cheaply on the whole.

THE HONGKONG EXCHEQUER.

(Daily Press, 11th September.)

There is little to criticise but much to applaud in the address delivered by His EXCELLENCY the Governor when laying before the Legislative Council the Colonial Budget. It is scarcely more than twelve months since Sir MATTHEW NATHAN arrived in the Colony, and if any proof were needed that His EXCELLENCY has not been a mere figurehead of the administration, a study of the Budget speech will reveal it, for it is obvious that His EXCELLENCY has made himself thoroughly acquainted with the multitudinous details of the administration and is directing affairs with a clear comprehension of what is required and with quickness of decision and firmness of purpose which the community will highly appreciate.

There is no need for us to dwell at any length on the details of the Colony's revenue and expenditure so succinctly reviewed by His EXCELLENCY. The financial statement is an eminently satisfactory one. On the revenue side practically all the items which (to use His EXCELLENCY's words) "indicate general development" show increases amounting in the aggregate to close on half a million dollars. On the expenditure side of the statement we have to expect increases due to the expansion of the Colony, but if this growth in expenditure leads to greater efficiency in the administration its justification must be admitted. As the Colony develops the expenditure on public works must necessarily increase. Of late years the Colony has been spending freely on permanent public works; it is still committed to heavy expenditures on that account, and schemes of some magnitude loom in the distance which will call for consideration as the state of the exchequer permits. Our heaviest expenditure on any single work in the Public Works Extraordinary list at the present time is apparently on waterworks. We note with much satisfaction the announcement that the coming financial year will see the completion of the waterworks at Kowloon as well as the first section of the Tytam-Tuk scheme. The second section of this latter scheme involves an expenditure of four million dollars, and as the colony is spending in the next financial year half a million on the waterworks already in hand, His EXCELLENCY has decided to wait until 1907 before putting this second section of the scheme in hand. We have no doubt that His EXCELLENCY has well assured himself that no inconvenience to the Colony is likely to result from this postponement, but it is well to point out that this is one of the schemes which has long been before the Colony and we should be sorry to see it unduly delayed. The reason for the delay suggested by His EXCELLENCY serves to remind us that it has long been one of the articles of faith of Unofficial Members of the Council that permanent public works should be paid for by means of loans. Here, it seems to us, is a case in which that proposal should receive the fullest consideration, for the scheme is a big one and the expenditure of the Colony is growing not perhaps alarmingly, considering the increasing prosperity

of the Colony, but it is at least rate growing at such a rate as should give us pause. It is evident however that it has been decided to allot the funds from the annual revenue, for His EXCELLENCY points out that this waterworks extension scheme will involve an annual allotment of half a million dollars for seven or eight years. At the same time we shall be required to furnish a quarter of a million dollars a year as interest on the proposed loan for the construction of the railway which is to connect us with Canton. It is evident, too, that the big question of providing for the continuously increasing shipping by extending the deep water area of the harbour cannot be indefinitely postponed, nor should the project for providing a larger typhoon shelter, "for the increasing number of junks now have prematurely to leave their work to ensure not being shut out of the limited accommodation in Causeway Bay." It is obvious that this results in great delay and financial loss to the shipping of the port every time the typhoon signal is hoisted. His EXCELLENCY recognises the urgency of all these projects, and we also have from his speech the assurance that the Government is fully alive to the necessity for a continuous policy in the matter of the resumption of insanitary property, which is another undertaking involving a large outlay. The community, we fancy, would be interested to learn precisely what that policy is. Sir MATTHEW NATHAN's predecessor, in his farewell address to the Legislative Council, announced that it had been decided to recommend the formation of a body of trustees at whose disposal funds would be placed for the necessary operation of remodelling this over-crowded city, and he estimated that this great and important work would take twenty years to complete. Has that recommendation been adopted? If so, some information as to how the Trust Fund is to be formed would be welcome. The unofficial view has been that monies derived from land sales instead of being treated as annual income should form the Trust Fund for the sanitary improvement of the Colony and for the resumption of insanitary properties, but we do not gather from the Estimates that this proposal has yet commended itself to the Government. Whatever may be the nature of the information which the Government will doubtless in due course give as to their financial arrangements for this work, the public, recognising the advantage to the public health of the Colony derived from the Taipingshan resumption, will accept with pleasure the assurance that the Government is fully alive to the necessity for the continuance of that work.

The brief references to the general policy which His EXCELLENCY announced would guide the framing of the Estimates immediately in front of us will, we are sure, commend itself to the approval of the community. We have at last the prospect—we can almost say the certainty—of seeing the Kowloon-Canton railway constructed after six or seven years of delay. The concession has apparently passed out of the hands of the British and Chinese Corporation, at least as far as that part of it which now lies within British territory is concerned; and the Colonial Government proposes to raise a loan of ten million dollars for the purpose of constructing this part of the line. We believe no difficulty will be found in raising this amount in the Colony and neighbouring ports. The construction of this line is certain to promote very rapidly the development of the New Territory and it is the opinion of His EXCELLENCY the GOVERNOR that if the Colony is to advance

at the rate at which it has hitherto advanced it will have to take full advantage for industrial purposes of the nearly inexhaustible supply of cheap labour that can be attracted to it and of the convenient sites for carrying on manufacturing businesses which exist in the New Territory. We have very little doubt that full advantage will be taken of every opportunity that offers. We confess to a little surprise at finding His EXCELLENCY harbouring the somewhat pessimistic opinion that with the increase of dock accommodation in the Far East and the construction of railways to the Treaty Ports this Colony cannot always hope to maintain its trade preponderance over its rivals. For our part we see no rival or combination of rivals in sight which threatens the maintenance of our trade preponderance. We believe that the geographical position of our Colony, the energy and enterprise of its citizens and the wisdom of its government, which have combined to make Hongkong what it is to-day, and which we would fain hope and believe will always remain identified with the history of this Colony will, so long as China engages in foreign trade, assure for us the pre-eminence we now enjoy. Our docking facilities are likely to remain superior to those of any other port in the East, and as for the construction of railways to the Treaty Ports, while they will naturally tend to develop the foreign trade of those particular ports they will as certainly lead to an increase in the volume of the trade passing through this great distributing centre of Southern China. Hongkong can hope to maintain its trade preponderance, and while His EXCELLENCY utters the word of caution his statement of the general policy which will govern his administration assures us that the development and prosperity of the Colony is not likely to be impeded by any want of foresight or encouragement on the part of the Government, and, that being the case, we can confidently look to the energy and enterprise of the commercial men of the port to do the rest.

JAPAN AND AMERICA.

Daily Press, 12th September.

The Americans in the Orient are not, in our experience, effusive in their expressions of regard for the Japanese. In conversation, they often revert to the possibilities of future conflict with that nation. "It has got to come, sooner or later," is the formula we have heard on more than one occasion. Whether it be another form of the Yellow Peril scare, in which the Americans are alarmed concerning the supposed insecurity of their tenure of the Philippines; or whether it be a matter of commercial rivalry expressed in Jingoistic terms, we do not feel able to say. That the feeling is present, in unofficial circles, we have had ample evidences to prove; and some echo of it seems to have inspired a recent article in the *Kokumin*, the semi-official organ published at Tokyo. Our Japanese contemporary, rebutting at considerable length the fears that are implied rather than stated, presents an array of "hard facts" which it regards as sureties of a lasting "commercial harmony" between Japan and America. Nearly sixty four million yen's worth of Japan's ¥319,000,000 of exports go to America; and of Japan's annual imports (¥370,000,000) America sends ¥38,210,000. Practically two thirds of Japan's output of raw silk was taken by America last year (¥60,700,000 out of ¥88,000,000) and the same country took ¥10,320,000 worth of the total habutai

exported, value thirty-seven millions. Apparently, our contemporary's idea is that a quarrel with her best customer is a thing unlikely to be permitted by Japan, especially as the American consumption of and demand for silk, raw and manufactured, is growing every year at a remarkable rate, by which some profit to American manufacturers must be figured. These, it will be seen, are pleas rather than arguments; the fervent wish, so to speak, siring the pleasing deductions. China and America have been good customers, the one of the other; and we are still waiting to see what is to be the outcome of a misunderstanding about which enough has for the present been said. Another point made by the *Kokumin* is patently special pleading; and we are afraid it is open to the charge of being somewhat disingenuous. Our contemporary says:—

"The total production of raw cotton in the world amounts to something like 14 million bales, of which America produces 66 per cent., India 15 per cent., and China and Egypt 7 per cent. each. Such being the case, it is not surprising that American cotton practically rules the markets of the world. The European countries, desirous of restricting the commercial supremacy of the cotton merchants at New York and Galveston, have of late years been endeavouring to cultivate cotton in their various colonies. Great Britain, for instance, is encouraging the cultivation of cotton in India, Egypt, and Africa; Germany in Togoland, Okavinda, and in Eastern Africa; France in the Sudan; and Russia in the Caucasus and Turkestan. All these countries aim at reducing the use of American cotton as much as possible. Japan, on the other hand, is satisfied with purchasing American and Indian cotton, and aims at exporting as much manufactured cotton as possible to China and other countries."

Japan may well be "satisfied" to purchase American cotton; although we believe she purchases more of the Indian product. If Japan has not copied European countries in their desire "of restricting the commercial supremacy" of America, it must be because as yet Japan has no India in which to encourage competition. Japan has her Togo, but as yet no Togoland. It is not, as our contemporary well knows, mere envy of American cotton supremacy which inspires the British Cotton Growing Association; but self preservation; and if Japan ever has a Lancashire famine of her own, the *Kokumin* may be counted upon to favour any project likely to deliver its country from the tender mercies of a monopoly. It would not pay Japan to worry about production, we are told, when the rapid development of her manufacturing industries demands all attention; and "worry" is the correct word to use, for to grow cotton on an effective scale would, we imagine, place Japan at her wits' end. The *Kokumin* further seems to think that with the Chinese market on one hand, and American growers on the other, Japan is the middleman by divine right; and that America will be pleased in proportion to the quantity of American cotton she manufactures for China. But no commercial alliance can rest stably on that basis: America wants to manufacture as well as grow; and is already in competition with Japan and the rest of the world. There is another point advanced which rings a false note, if American-Japanese commercial harmony be aimed at. "Not only would the Japanese welcome the growth and prosperity of the Philippines, but it would be to the interests of Americans to rely on the assistance of Japan for the development of the islands." The Americans, especially Manila Americans, will not relish allusions to Japanese assistance in such a connection. All this is not to

quarrel with the hope of a continuance of the present good relations; but by way of warning that to "protest too much" is equally as dangerous as the Yellow Peril nonsense.

JAPAN'S REAL GAINS.

(Daily Press, 13th September.)

Now that the first blush of excitement consequent on the very unexpected conclusion of the peace negotiations at Portsmouth has had time to subside, the present seems a favourable moment to review the terms finally agreed on. In some quarters the apparently too ready acquiescence of Japan in Russia's terms has been a subject of wonderment, and almost of blame, while in others it has been attributed to the magnanimity of the Japanese Government. Without venturing to sit in judgment on what does not concern us, we may surmise with regard to the first, that the Japanese Government really understood the position better than we can, and as touching the second, that in the affairs of nations, whether political or economical, magnanimity ceases to be a virtue.

Everyone who has had the misfortune to become engaged in a lawsuit with an impecunious opponent has felt, as the Japanese negotiators, the enormous strength of the position. Wealth which enables the unprincipled to protract his case by appeals or other devices till his opponent is worn out or ruined in the struggle is a powerful weapon, but when opposed to the bankrupt who has nothing to lose, and has skill enough to make his poverty a weapon of offence it makes but a poor show. The impecunious tenant who refuses to be ejected, and compels his landlord to pay for his disturbance or take off the roof and thereby ruin his own property, used in Ireland to be a familiar figure, and many are the tales current of the loss and inconvenience to which the recalcitrant landlord has had to submit; besides making himself the butt for the sarcasms and mock solicitude of his neighbours. In such a position Japan found herself vis à vis with Russia, and the Tsar, indifferent to the opinions of Europe, showed himself here master of the situation, and was able to hurl defiance at his tormenter. Russia had in fact exploited to the tune of some thousand millions her confiding neighbours till the latter had closed their purse strings. As it was perfectly certain that towards an indemnity Russia could not raise another cent, it would palpably have exposed Japan to the ridicule of the world to have gone on throwing good money after bad, as every day Russia's financial position, and her consequent ability to effect another loan would have been rendered more hopeless and at home the State was bankrupt. On the other hand, and this is not to be forgotten, Japan's own creditors were disposed to become clamorous, and signs of weakness came to warn her as to the possible effect on the money market of continuing the conflict. Perhaps not so easily accounted for is Japan's return of the northern portion of Saghalien to Russia. Some years ago when Japan under threats from Russia consented to exchange her half of Saghalien for the Kuriles, Japan was hardly in a position to make any effective use of her dependency. She was only beginning her new policy, and had scarcely got herself out of the tangle of the Satsuma movement. Since then, of course, affairs have progressed and Japan finds herself a powerful and respected state. The population of Japan has in the meanwhile in-

creased upwards of fifty per cent., and now amounts, by last census, to not far short of forty eight millions, or at the rate of considerably over 300 per square mile, and is annually growing at a rapid rate. One of her needs is land, and this was one of the main reasons for her anxiety with regard to Korea. Saghalien is a richly wooded country and is within the forest zone of Asia. The Japanese have always been a timber loving people, and the forests are a valuable asset. Still with all the care exercised, the forests of Japan within the last ten years have decreased in area some nine per cent, and now cover rather less than forty million acres. With the fate of China before her she has naturally grown anxious; so that with the growth of her population and the diminution of her forests she was deeply concerned in the recovery of her old province. The anxiety of her government for peace before her home industries had begun to feel the effects of a long and draining war is plainly shown by its consent to actually take a retrograde step, and surrender territory actually in her hands. On the other hand Japan has gained much by the war, much more, indeed, than is represented by the value of the indemnity and the territory waived. In the first place she has secured the evacuation of Manchuria, all the more effectually that she has actually paid for it and the debt has been acknowledged. In the next place she has strengthened her position in Korea with the acknowledged consent of Russia and the other Powers,—even China, and this in itself is a valuable asset. Next, what may be described as an immediately available asset, she has obtained the full reversion of Russia's lease in the Liaotung peninsula. Beyond this she has obtained from Russia the engagement that her railway from Siberia shall never be used for other than mercantile purposes, and shall cease to be used for military ends. It is true, of course, that the other party to the agreement is Russia, and that good faith has no existence in the vocabulary of the Russian Government further than she has the power and the opportunity to break it. Japan has had the power to enforce the agreement; she retires from the contest with her power unaffected, and has the means and the intention to have the agreement carried out. Although Japan has refrained from pressing her demands for Russia's war ships interned in neutral ports she has apparently exercised a wise discretion, as in the present temper of Russia's neighbour, Germany, the request might have led to unpleasant recriminations which to a nation just emerged from a hard, though successful war might have been unpleasant. The nation most affected by the untoward termination of the war, it is thought, is not Russia but Germany, whom many suppose to have been looking forward to carving out a German Empire in the Far East. That dream has been dispelled by the retirement of Russia. Still the political temper of Germany has never been of the best, and Japan does well to consider her. On the whole Japan has not fared badly, and has perhaps acted discreetly in not leaving too many tags lying about for the gleaners of stolen property to get hold of. There is some reasonable probability that Russia will not in the immediate future attempt any glaring step in the extreme East of Asia. Russia, of course, as long as she continues to be Russia, cannot keep her hands out of mischief, and apparently untaught by her lesson has been trying on meddling in Mongolia. In this she has not the address to see that she is really playing Japan's

game. For one thing she is not likely to find China so ready to fall into the snare, and for the next China has as yet failed to produce a second LI HUNG CHANG. Any strengthening of China here is really in Japan's interest. Beyond this, England is at last alive to the importance of the issue, and cannot, and apparently will not, permit the lesson of Lhasa to be forgotten.

THE CHANGSHA QUESTION.

(Daily Press 14th September).

The case of Mr. H. BENNETT, the British merchant who has suffered heavy losses as a result of the refusal of the Chinese officials to allow him to engage in business at the open port of Changsha, has been twice referred to in this column, on the strength of hearsay evidence. We are now in receipt of a long detailed statement from the victim himself, as well as copies of correspondence that has passed in the matter. The trouble appears to be every whit as complicated as it has been represented; and we are inclined to think with Mr. BENNETT that it is full time to awake "the still slumbering British Lion." According to Mr. BENNETT, the trouble began with some hostile Chinese proclamations, which mentioned his name and the name of his *hong*. Mr. E. FRASER, H.B.M. Consul-General at Hankow, is said to have expressed the opinion that Mr. BENNETT was entitled to reparation for the injury and insult of these proclamations; and that in any case his right to trade in the city of Changsha was to be upheld. He urged Mr. BENNETT, according to the latter, to take up cargo as recently as February of this year. It was in the previous November that Mr. BENNETT's claim was filed, the active interference with his rights having begun in July. In April last, "with the full authority" of the Consuls at Hankow and Changsha, Mr. BENNETT essayed again to establish, on his own behalf and on behalf of other British merchants in Shanghai, the right to open trade "in this most anti-foreign province of China." Mr. A. H. HARRIS, the Commissioner of Customs at Changsha, whose view seemed to be that Changsha city was not part of the treaty port of Changsha, addressed Mr. BENNETT as follows:—[The copy is furnished by Mr. BENNETT.]

Custom House,
Changsha, 19th July, 1904.

Messrs. H. BENNETT & Co.,
Changsha.

SIRS,—I beg to acknowledge the receipt, late this p.m., of your letter of to-day's date, informing me that you are opening a *hong* as a British firm in the Changsha city to-morrow, and also your invitation kindly requesting my presence. I beg to remind you that to the best of my knowledge the city of Changsha is not included in the treaty port limits as a place of residence for foreign firms. The port is opened to trade, residence is confined to the port limits. In taking upon yourself to open a firm within the city without, so far as I am aware, any communications taking place between your consul and the local authorities on the subject, you are liable to all and any losses and inconvenience which such action, unauthorized I take it to be, will entail. I now beg to give you formal notice of the same,—I am, sirs, etc.

(Sgd.) A. H. HARRIS,

Acting Commissioner of Customs.

Later in the same day, at 8.45 p.m., Mr. BENNETT received the following:—

Custom House,
Changsha, July 19th, 1904.

Messrs. H. BENNETT & Co.,
Changsha.

SIRS,—I have just received a note from the Changsha Taotai and superintendent of Customs,

requesting me to inform you that he had just heard of an intention on your part to open a foreign *hong* in the city (for banking purposes it is reported) and that to-morrow, the 20th, has been fixed for the opening. He desires to say that the site for the foreign settlement for the port of Changsha is outside of the north gate and that foreign *hongs* may not be opened in the city. He requests that you will conform to treaty requirements and desist from carrying out your intentions as reported to him.

I trust that you will think it well to comply with the request hereby conveyed: at any rate until you have referred the question elsewhere and been officially instructed how to act.—I am, sirs, etc.

(Sgd.) A. H. HARRIS,

Acting Commissioner of Customs.

Naturally, Mr. BENNETT, who has undoubtedly suffered great injustice and loss, is not quick to grasp the possibility that Mr. HARRIS was doing what he conceived to be his duty to his Chinese employers. Mr. BENNETT thought he had no business to meddle in a matter that had more to do with politics than the Customs. He was doubtless unwise to tell him so; but we cannot entertain the suspicion that the merchant's trials and misfortunes are in any way attributable to the neglect or lack of sympathy of any British officials at Changsha. The British interpretation of the treaty is that Changsha City is part of Changsha port; if it be not, it will be difficult to find the port. The Chinese local officials (whose anti-foreign prejudice is notorious) maintain that the city is not covered by the Treaty; and Mr. BENNETT is the shuttlecock in the diplomatic game of battledore. He must blame the deficiencies of organisation or the lack of decision and firmness which are required to make the British Government insist upon its own interpretation. The Chinese Government never regards a bargain as a bargain when it discovers that the bargainer of the other part has no backbone. But even to say that is too much, in view of the fact that the British official representations have been effectual. They have established the justice of his claims; and the Chinese Government has awarded a sum as compensation. This amount is insufficient to recoup the actual losses incurred: and if it has been accepted in final settlement by the British representatives, without consulting the claimant (as he says) and can be shown to be so inadequate, we presume that by further agitation the balance can be recovered, if not from the Chinese, then from the British Government. Though important to Mr. BENNETT, who says that he has been financially ruined by this affair, the question of amount is immaterial to British commerce in general. The main thing is that the Changsha obstructionists have been declared wrong. But if Mr. BENNETT is not given the fullest justice, other merchants will not be tempted to meddle with the privileges supposed to be won as a result of this affair. The boycott of Mr. BENNETT's goods was removed only when the Chinese thought a clearance sale would encourage him to leave the city; and it is only too probable that any other merchant going to Changsha after him would meet a similar fate—unless the British Government allows some sort of mailed fist to be really perceived by the Chinese. There is also the question still to settle, whether foreign goods must pay *likin* before entering a city which is now admittedly part of an open port. Although happening so far away from Hongkong, we think the case is one that would very properly come within the purview of the local Chamber of Commerce, which has never taken a merely parochial view of questions of trade relationship with China.

HORTICULTURE AT HONGKONG.

(Daily Press 15th September.)

The *Singapore Free Press* says:—"Singapore amateur horticulturists will learn with some wonder that it has been left to H.E. Sir MATTHEW NATHAN, Governor of Hongkong; to take the initiative, after a lapse of many years, in promoting the holding of a flower-show in that Colony. A small committee of persons interested in the subject has been selected, with Sir FRANCIS PIGGOTT as chairman. The last public flower show in Hongkong appears to have been held so far back as 1888." Grateful as we are to His EXCELLENCY for the part he has taken, we must point out that the wording of the paragraph quoted robs us of the credit of the initiative to which we are fairly entitled. When so few officials are willing even to consider suggestions, it is gratifying to know, however, that we have a Governor who notices everything in the way of suggestive comment, irrespective of its source. On August 30th, last year, under the heading "Horticulture at Hongkong," we wrote an article which concluded as follows:—

"Silently, one by one, in the infinite meadows of heaven.

Blossomed the lovely stars, the 'forget-me-nots' of the angels."

Silently, one by one, the terraces and corners of Hongkong could be made to shine below like the stars in that pretty couplet of Longfellow's, and that with no more fuss or trouble than the flourishing of bunting on festival occasions. How is it that there is no Hongkong Floral or Horticultural Society? The daily spectacle of the Flower Market in a side-street cannot be considered as ample or adequate gratification of the æsthetic sense that the Hongkong dweller assuredly possesses. The tree-peony and the lotus, the almond blossom and the topiaried shrubs affected by the natives cannot fill the places of the Home favourites. If the flower sellers can successfully rear foreign blooms for lucre, may our own folk not manage them for love? A local flower show might do much to foster enthusiasm, and enrich the flora Hongkongensis, just as the Royal Horticultural Society at Home has done so much to revive the cult and culture of the English rose. It is not sufficient to write a cheque and have a gardener and his coolies exercise his taste in the environment of the foreigner. When the foreigner and his lady, and their children also learn how much it means to make personal friends of the growing things about their door, there will be no necessity to tempt them with the mild excitements of neighbourly rivalry. A new and absorbing interest will have come to vanquish boredom, and relieve the tedium of daily work. In the mean time, a local horticultural society seems a means to an end. Are there none sufficiently interested to make a move? Our columns are open to comment: we should be glad to encourage any movement in such a direction.

No comments were forthcoming, and we concluded that Hongkong folk must be apathetic towards "the girl children of the gardener's nursery." His EXCELLENCY had noted the unofficial suggestion, however; and in the midst of much other and perhaps more materially important business, he found time to make enquiries as to the how and why of the lack thus indicated. The Botanical and Afforestation department officials were not, apparently, disposed to admit that we could possibly be right about the "tree-cutting"; their official attitude towards newspapers being akin to that of the scriptural sceptics who asked how anything good could come from Nazareth. Yet the result was that the expert advice they were constrained to get from India justified our earnestly expressed opinions; and the Vandalism, if not stopped, has been considerably diminished. Rainfall, health, and scenic beauty are to count for something besides mere revenue hunting. We should be loth

to think or suggest that the Department viewed the promotion of the flower show with any such lack of sympathy; and, indeed, gladly take it for granted that they are not only "sufficiently interested to make a move," but that they are sufficiently in love with the æsthetic side of their work to move with enthusiasm and purpose. Hailing with all pleasure, then, the active interest of His EXCELLENCY, and the loyal co-operation of the Department, we have still to recognise that more is needed. The people for whose pleasure and benefit the movement is aimed must, if the show next February is to inaugurate a series of successful ones, show more than a merely tolerant approval. As we suggested in August twelve months ago, it is desirable that more amateur gardeners should be encouraged; and the list of competition classes as published is partly directed that way. We would have liked to see a pot-plant competition confined to those who do not employ gardeners; and better still, a competition for juvenile exhibitors. Every man to his taste, of course; and we confess to a lack of enthusiasm in the matter of offering prizes to Chinese market gardeners only. These men compete for prizes every day, the prizes of the market which are good prices and good profits; and we do not quite see what object is to be gained. In an extensive experience of such exhibitions, we remember no previous instance of requiring such big exhibits of potatoes and peas. Twelve pods of peas, or twenty at most, is ample; while the exaction of 25 potatoes from each exhibitor will not make the judge's task any easier. It is also unusual to require so many. We hope for the best; but we fear that this first flower show has been decided and arranged with less deliberation and discussion than we should have liked to see. There is still time to add the amateur and juvenile classes to the list, if thought desirable. Another reflection that occurs to us is that while it is very nice to have a Government Department taking all the trouble and bearing all the expense, it encourages the public laziness and indifference. With the most informal of invitations through the Press, private donors would have been glad to offer as many prizes as any flower show committee could need. In this way also, valuable suggestions are forthcoming, as when a gentleman offers a handsome prize for a window or verandah-box of flowers tended throughout by child horticulturists. It would also increase the public interest in the show, and in the culture of flowers, and in the beauty of Hongkong—all of which are consummations devoutly to be wished.

THE DEAF EAR AND THE BLIND EYE.

(Daily Press, 16th September.)

Two criminals condemned to death in the Philippines have given occasion for remark in the Manila papers by asking, on their way to execution, for a drink of beer. One American journal considered it in the light of a joke; others conceded that it was at least strange. It was human nature epitomised, as a matter of fact; and recalls the story told by Tolstoy in (if memory serves aright) "My Religion." Therein was told an incident of a man hanging over a pit, clinging to a slender and slowly breaking branch. In the pit a mass of deadly serpents awaited his fall: on the edge of the pit a ravening bear looked anxious to catch him. On the top of this acme of misery, the man, noticing some drops of honey on a leaf, greedily licked it up. We

forget what special moral the great Russian writer drew; but there is the one that cannot escape attention; and its possible applications are innumerable. A story of similar, almost identical, construction is found among the Buddhist parables, as mentioned by the late Professor MAX MULLER. In that also a man hangs from the branch of a tree, the branch bending over a well. An elephant tries to break down the tree. At the bottom of the well is a dragon, and serpents writhe about the sides of the well. In addition—showing that Buddhism realises that fleshly ills cannot be overstated—two mice, one black, one white (night and day) are busy gnawing at the branch to which he clings. The man holds his mouth open, catching some drops of honey that fall from higher branches. The tree is the world, the branch man's life; and the Buddhist moral is that man is blind to the perils around him, owing to his hunger for the sweets. Buddhism, and some other religions, recommend him to dwell more on the perils of life, and to think less of its sweets. Many men try to do so; and are made thereby more unhappy. The animal world, excluding man, is happy because, as WALT WHITMAN says, it does not lie awake at nights bemoaning its sins. It does not, that is to say, take notice of the elephant, the mice, and the dragon. Not having acquired man's cognisance of its own mortality, it retains its inheritance of eternal life. To enjoy this bliss of ignorance, there must be, as was doubtless the case with the Manila malefactors, more brutality than intellect. The higher the type of human evolution, the greater is the intellectual perception of the dragon and the well, and the more pessimism and sorrow. The story as told by Tolstoy, MULLER, and others is as universal in its basic form as are some of the primal legends of the "Gæa Romanorum"; and though priests and bonzes apply it as may best suit their creeds, its photographic accuracy as a picture of human nature remains unaltered. This trait of mankind is an instinct: reason might tell him that he should so make the best of circumstances, but he does so unreasonably, as a matter of unconquerable habit. That is why SCHOPENHAUER could still enjoy the life he thought he scorned; why doctors can be optimists; and also unfortunately, why Englishmen shut their ears to Lord ROBERTS' warnings, and accept with satisfaction Mr. BALFOUR's assurance that there is no danger.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Legislative Council was held at the Council Chamber on Sept. 14th.

There were present:—

HIS EXCELLENCY THE GOVERNOR, SIR MATTHEW NATHAN, K.C.M.G.

Hon. Colonel C. H. DARLING, R.E. (General Officer Commanding the Troops).

Hon. Mr. T. SERCOMBE SMITH (Colonial Secretary).

Hon. Sir H. S. BERKELEY, K.C. (Attorney-General).

Hon. Mr. L. A. M. JOHNSTON (Colonial Treasurer).

Hon. Mr. E. A. IRVING (Registrar-General).

Hon. Mr. BASIL H. TAYLOR, R.N. (Harbour Master).

Hon. Mr. W. CHATHAM (Director of Public Works).

Hon. Sir C. P. CHATER, C.M.G.

Hon. Dr. HO KAI, M.B., C.M., C.M.G.

Hon. Mr. R. SHEWAN.

Hon. Mr. GERSHOM STEWART.

Hon. Mr. WEI YUK.

Hon. Mr. W. C. DICKSON.

Mr. A. G. M. FLETCHER (Clerk of Councils).

MINUTES.

The minutes of the previous meeting were read and confirmed.

FINANCIAL.

The COLONIAL SECRETARY—I beg to lay on the table financial minutes 33 and 34, and move that they be referred to the Finance Committee.

The COLONIAL TREASURER seconded the motion, which was carried.

FINANCE COMMITTEE'S REPORT.

The COLONIAL SECRETARY—I beg to lay on the table a report of the proceedings of the Finance Committee at a meeting held in the Council Chamber on the 7th September, and move its adoption.

The COLONIAL TREASURER seconded the motion, which was carried.

PAPER.

The COLONIAL SECRETARY laid on the table a paper in connection with the felling and planting of the *Pinus Massoniana* in Hongkong.

REPORT OF THE LAW COMMITTEE.

The ATTORNEY GENERAL—I beg to lay on the table a report of the proceedings of the standing Law Committee at a meeting held at the Attorney-General's Chambers on the 8th September. It is of some length and I therefore, propose not to move its adoption at this meeting, but to give members an opportunity of considering it. I will, therefore, move its adoption at a subsequent meeting.

INCREASE OF RATES.

The COLONIAL TREASURER—I beg to move the resolution standing in my name, which reads:—"Resolved that the percentage on the valuation of tenements payable as rates in that portion of the Hill District which is defined in Section 29 Sub-section (1) (b) (as amended by Section 2 of Ordinance No. 41 of 1902) of the Rating Ordinance No. 6 of 1901 be altered from 1½ per cent. to 13 per cent. with effect from the 1st of October, 1905."

The COLONIAL SECRETARY seconded the resolution.

Hon. Mr. GERSHOM STEWART—Might I ask, Your Excellency, what this advance of 24 per cent is for, as the lighting of 100 lamps at \$3.50 per month only amounts to \$4,000 a year?

His EXCELLENCY—It is partly to provide for lighting, and partly to provide hydrants.

Hon. Mr. GERSHOM STEWART—Will the water supply be constant then?

His EXCELLENCY—As constant as it is elsewhere in the Colony.

The resolution was passed.

NEW TERRITORIES LAND ORDINANCE.

The ATTORNEY-GENERAL—I beg leave to read for the first time a Bill entitled An Ordinance to amend the New Territories Land Ordinance 1905.

His EXCELLENCY—This Bill is stated to be an amendment of the New Territories Land Ordinance 1905, but it is really a supplement to it. The schedules of the leases, especially for agricultural lands, in the New Territories, contain hundreds of thousands of names in Chinese and English, of addresses, of areas, most of them a small fraction of an acre, and amounts of Crown rents, most of them the small fraction of a dollar, and it will be readily understood that in a portion of these schedules certain errors have crept in, largely due to the illiteracy of the inhabitants in the New Territories. These errors have been brought to light on the issue of certificates of title under lease, and it is convenient that they should at the same time be corrected. This is being done and the Bill before the Council is to legalise these corrections.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

AMENDMENT OF MERCHANT SHIPPING ORDINANCE.

The ATTORNEY GENERAL—I beg leave to move that a Bill entitled An Ordinance further to amend the Merchant Shipping Ordinance 1899, be read a second time. The note appended to the Bill dealing with the objects and reasons for the introduction clearly sets forth what these are. The system at present in force with respect to the lights necessary for junks to carry, is not workable. The Bill provides a working system. It has been found difficult under the present powers to control the traffic of small craft in the harbour and to keep the fairway as clear as it should be, and to keep crafts of all kinds from crowding up against

the walls and piers. This Bill gives additional and effective powers to the Harbour authorities to keep the fairway clear and to control the traffic of small craft. It also provides for special licences for river steamers. Under this heading it gives powers to exempt certain crafts of small tonnage, not exceeding 300 tons, from the necessity of carrying certificated masters and engineers. If the ship has a certificated master and an engineer who has a certificate of competency from the Harbour Master that will be deemed to be sufficient. In the case of small craft not exceeding 60 tons both the master and the engineer will be considered competent if they hold certificates of competency from the Harbour Master. In order to give power to make these required alterations on the existing laws, the Bill provides for the exemption of that class of vessel from the requirements of the 4th section of the Merchant Shipping Ordinance.

The COLONIAL SECRETARY seconded.

The motion was agreed to.

The Council then resolved itself into Committee to consider the Bill.

On the Council resuming.

His EXCELLENCY reported that the Bill had passed through Committee without amendment.

WOMEN AND GIRLS PROTECTION ACT.

The ATTORNEY GENERAL—I beg to move the second reading of the Bill entitled An Ordinance to amend the Protection of Women and Girls Ordinance 1897. This Bill proposes to amend the present law respecting the protection of women and girls by amending that part of the law which relates to procurement and abduction, and by raising the age, in connection with Section 4 (1) (a) and Section 26 of the present Ordinance, from 16 to 18 years. The Bill also provides for the reception, under certain circumstances, of the evidence of children under the age of seven. In introducing that provision, council will be following on the lines of legislation at Home.

Council then formed itself into a committee of the whole council, on the motion of the ATTORNEY-GENERAL, to consider the Bill clause by clause, and on resuming.

His EXCELLENCY reported to the council that the Bill had passed through all its clauses without amendment.

SUMMARY OFFENCES ORDINANCE.

The ATTORNEY GENERAL—I beg to move the second reading of the Bill entitled An Ordinance to amend the Summary Offences Ordinance 1845. This Bill is designed to give the police larger powers to abate the nuisance caused by solicitations for immoral purposes in certain public places. It will confer upon the police the requisite powers for abating the nuisance. Opportunity is also taken (in recent legislation rendered necessary because of certain decisions of police magistrates) to confer greater powers for removing obstructions in private streets. If the clause is passed by the council there can no longer be any doubt that a private street is a street within the meaning of the police regulations.

The COLONIAL SECRETARY seconded the motion.

Council then resolved itself into committee and considered the Bill clause by clause. On resuming the Bill was read a second time and passed without amendment.

MAINTENANCE OF MARRIED WOMEN.

The ATTORNEY GENERAL—I beg leave to move the second reading of the Bill entitled An Ordinance relating to the Summary Jurisdiction of Magistrates in reference to married women.

This legislation follows on lines of similar legislation in England, and will be found useful here. In fact, the Ordinance is an adaptation from the English Act which gives magistrates in small cases the power of making maintenance orders against a husband who deserts his wife, or by his conduct causes her to leave him.

The COLONIAL SECRETARY seconded.

The Council then went into Committee to consider the Bill in *seriatim*.

The ATTORNEY GENERAL moved that the blank in clause 5 be filled by the insertion of \$20 which should be the limit of the wife's maintenance.

This was agreed to.

His EXCELLENCY—The Bill will be left in Committee. The Council stands adjourned till Thursday, 21st inst., at 2.30 p.m.

FINANCE COMMITTEE.

A meeting of the Finance Committee was held immediately after the Council had risen—the Colonial Secretary presiding.

The following votes were passed.

HARBOUR MASTER'S DEPARTMENT.

The Governor recommended the Council to vote a sum of Seven hundred and thirty-nine Dollars (\$739) in aid of the vote, Harbour Master's Department—other charges, for repairs to epidemic hulk *Hygeia*.

MAGISTRACY CHARGE.

The Governor recommended the Council to vote a sum of Three hundred Dollars (\$300) in aid of the vote, Magistracy—other charges for language allowance to Mr. M. Hoosen, Hindustani Interpreter, who has passed the examination in the Chiu Chau dialect.

The Finance Committee was then adjourned.

SUPREME COURT.

Friday, 8th September.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE).

THE NGAR LUM V. KWONG TAK CHEONG.

This was a claim for \$457.17 balance due for work done and material supplied the defendant. The case came on for hearing yesterday, but was adjourned to enable the plaintiff's solicitor to supply the defendants with the names and addresses of the partners in the plaintiff firm.

Mr. Goldring—I have supplied my friend with the names and addresses, your Lordship, and given an undertaking to pay his costs.

His Lordship (to Mr. Beavis)—Are you satisfied?

Mr. Beavis—Yes, I don't wish to be unreasonable.

His Lordship—Very well. The case is adjourned till Wednesday morning.

THE WOO LEE V. THE HOP KEE AND

ANOTHER.

This was a claim for \$724.10 on account of goods sold and delivered.

Mr. O. D. Thomson appeared for the plaintiff for whom his Lordship gave judgment and costs.

WING KEE V. JU TU YUEN.

The plaintiffs claimed from the defendant the sum of \$436.89, balance due for goods sold and delivered.

Mr. O. D. Thomson represented the plaintiff. The defendant admitted the debt, and his Lordship gave judgment against him with costs.

Monday, 11th September.

IN ORIGINAL JURISDICTION.

BEFORE SIR F. T. PIGGOTT (CHIEF JUSTICE).

CARLOWITZ & CO. V. THE SUN SHING FIRM.

His Lordship delivered judgment in this action as under:—

In this case there was a contract for the supply of a certain quantity of crackers. It was made in Canton between a Chinese firm and the manager of the Canton branch of a German firm trading in Hongkong. The first question is what law governs the liabilities arising under this contract? It seems fairly clear that although it cannot be strictly called a contract "freely on board," the crackers were to be delivered to the plaintiffs in Hongkong. It was assumed by both sides that the law of Hongkong applied, and therefore that the case was governed by the Sale of Goods Ordinance; the assumption being based on one of two grounds: either, because the place of performance was Hongkong, or because the intention of the parties was that the law of this Colony should apply. The question thus raised

is an important one, as it is not improbable that many contracts are made in the East under circumstances similar to the present. The leading case on the subject is still *Jacobs v. Credit Lyonnais* (12 Q.B.C., 53) and it has been worked out at some length in Dicey's "Conflict of Laws." The question of the intention of the parties may be at once disposed of. It is not exercised; and it cannot be implied either in the case of the Chinaman who contracted, or the branch house of the German firm, which negotiated the purchase in Canton. With regard to the place of performance the question is more difficult. The first presumption is that the law applicable to a contract is the law of the place where it was made. The second presumption is that when the contract is made in one country to be performed wholly or in part in another, then the law is that of the place where the performance is to take place. To this second presumption Mr. Dicey adds "especially as to the mode of performance." The two propositions are not too clearly defined: for the learned author says that the *lex loci contractus* "may apply to a contract partly or even wholly to be performed in another country"; which practically destroys the value as a legal proposition of the second presumption. I think the only way of ascertaining what law is applicable to any given set of circumstances is to determine clearly what the obligation is which is alleged to have been broken. If it is connected with the mode of performance, as Mr. Dicey suggests, then clearly the law of the place of performance must apply, as in the *Credit Lyonnais* case, where the question was whether the French Law of *force majeure* was a sufficient excuse for failure to perform a contract in which England was the place of performance. If the breach in this case had arisen in connection with delivery in Hongkong, then the law of Hongkong would apply. But in this case the breach was in connection with the quality of the goods delivered: the question being whether the crackers were what they professed to be, or whether, to adopt English law terms, the rule as to implied conditions applied or the doctrine of *caveat emptor*. The law applicable to this obligation must be the law of the place of delivery and this was, in my opinion, Canton. It was there the goods were examined and accepted by the person who had charge of the negotiations for the plaintiffs, in the presence of the defendant; it was there that the plaintiff decided whether or no he would accept the crackers. The transport to Hongkong was, it is true, part of the original contract; but that occurred after the question whether the goods were in accordance with the contract had been decided. In the particular of this preliminary examination the facts somewhat resemble those in the *Credit Lyonnais* case; for there, as here, there was to be a preliminary examination and approval before actual delivery. This was held not to be sufficient to disturb the presumption that the law of England where the contract had been made applied to the contract. In this case by parity of reasoning the fact that the examination was to be made and approval given in Canton seems to me to enforce the presumption in favour of the *lex loci contractus*. I think, therefore, that this is a Chinese contract. I indicated at the trial that this might be the view I should take; the defendant answered that the plaintiff had failed to show what the law of China is. But it is the defendant who has in reality appealed to the Sale of Goods Ordinance and to the rule *caveat emptor*: he has failed to show that similar principles are in force in China. I cannot assume that they are. There are, however, some things that a Court may presume; in such a case as the present that it is part of the law of China as of every other country, that you are entitled to get what you pay for; that if you buy beef an action will lie against the vendor if he supplies you mutton. So if you buy a cracker you are entitled to get something which does what crackers are supposed to do: explode with a certain satisfactory noise, which is in fact a cracker. The whole question in this case is whether the crackers supplied did fulfil this essential condition. I hold, therefore, that further proof from the plaintiff as to the law of China on the subject is unnecessary and that the defendant, who desires to justify non-fulfil-

ment must prove that the Chinese law warrants the justification he puts forward. The solution of the question whether the defendants supplied crackers in the ordinary sense of the word is simplified by the fact that there were undoubtedly previous dealings between the same parties in respect to the same quality of crackers, and that there had been no complaints such as those which form the subject of this action. The plaintiff knew what he wanted: a low grade cracker, but still a cracker; and the defendant knew what he was expected to supply. The facts as to the quality of the crackers supplied rest entirely on the evidence taken on commission in the United States of the persons to whom they were subsequently sold by Carlowitz and Company. These witnesses were not cross-examined. Their statements are not, therefore, unchallenged and must be taken as true. Evidence taken on commission must be treated precisely in similar way as evidence given at the trial. If it is intended to question its veracity or to draw other inferences from it than those which appear on the face of the language used by the witnesses: this must be prepared by cross-examination. Nothing can be more dangerous for the other side to allow the evidence to be taken without being represented. When once the order for the Commission has been made on the application of one party the other party can only decline to take part in the proceedings at his peril. It may be costly; but that is inevitable to the grant of a Commission, which is part of the regular procedure of the courts. From this evidence then it appears that the crackers were bad in every respect: that innumerable complaints were received from the ultimate purchasers that they did not explode and that they were not in any respect so good as those of the same grade which had been supplied by the defendant firm on previous occasions. One other point is clear from this evidence: that the detailed examination of the crackers was made in consequence of these complaints: that this was independent of the examination made on the arrival of the goods: and that it bore out the complaints which had been made by the ultimate purchasers. So far the case seems to me to be free from doubt. But the stress of the defendant's argument was on the fact that not only Carlowitz and Company in Canton but also Champion and Company in the United States had examined the crackers and accepted them as good and merchantable. Further that when the complaints came from America the plaintiffs strenuously supported their original opinion that they were good. And lastly, that though the examination might have been, as was suggested, superficial, the examination in the United States need not have been so. Under the circumstances can the plaintiffs now be heard to say that the crackers were not good? On one other point I have no doubt: that all that could have been done in the way of giving notice of the complaints and in verifying them as far as possible, was done both by Champion and Company to Carlowitz and Company and by them to the defendants. The question is not an easy one, and so far as I know, is not covered by authority; at least, none was cited. But after giving the question the fullest consideration I have come to the conclusion that it is impossible to say that if the goods are not in fact what a purchaser contracts for he is estopped from recovering because he examined them in the customary way and did not discover that they were different. The law of estoppel applies to words or conduct which induce other people to act to their prejudice on the faith of them; not to words or conduct which, as in this case, have no influence on other people's actions. Again it was not a term of contract that this examination should be conclusive and bar subsequent recovery: nor in the absence of any proof as to the law of China can this be said to be an inherent condition of the contract. Nor again was it a term of the contract that there should be any examination at all as a condition of acceptance. The examination was said to be customary, though not an essential custom of the trade, which puts it no higher than the examination which every purchaser makes of goods before he accepts delivery. It cannot be treated as a purchase after inspection, because obviously the whole of the goods cannot be inspected, but only a very small proportion.

We have no evidence that the law of China would prevent recovery after such an examination if the goods proved worthless. And I may say, in passing, that even if the obligations under this contract were to be judged by English law, the case falls well within the cases laid down in the Ordinance on sales in which the doctrine of *caveat emptor* is excluded. This statement of what I believe to be the law applicable to this case may be tested in the concrete by reverting to the simple example already given; supposing the contract had been for the supply of several hundred tins of beef. Now, though when the plaintiff made his examination and took delivery, all the tins he opened contained beef, yet if it afterwards transpired that the large majority of the tins contained mutton, it seems self-evident that the defendant could not say: "you examined them, found beef, said that the tins contained beef; therefore they do contain beef," and this on the evidence before me is perfectly analogous to the present case. The defendant seemed at one time to suggest that the crackers were in fact good. But this was not insisted upon; nor could it be, for the evidence is against him. He did suggest, however, that the crackers were in fact low grade crackers which he ordered and which could not be expected to make much noise and often none at all. But part of his case is that the crackers which were tried were good, gave the proper noisy explosion and I suppose the proper percentage of explosions, so that his own case is against him as well as the evidence on this point. Deterioration during a long sea voyage is what I should have thought might have been set up with some prospect of success. But when I put the question to one of the witnesses, the answer was that there would be no deterioration and that answer was not challenged; there had never been deterioration before. There remain mere accident or fraud. Either are possible though not necessarily on the part of the defendant firm, who did not make the crackers themselves. But this would be no defence to this action. Whatever may have been the cause of the crackers being defective, as Carlowitz and Company have suffered by it, so also must the defendants suffer, though perhaps they may be able to recover from the makers who supplied them with these inferior goods. Judgment must, therefore, be for the plaintiffs with costs in accordance with the particulars of February 23, 1904.

Mr. H. E. Pollock (instructed by Mr. H. Hursthouse, of Messrs. Denny and Bowley), who appeared for plaintiffs, asked if that would be judgment in accordance with their last particulars, with costs.

His Lordship—Yes.

Mr. Pollock then asked for the judgment to be immediately executed on the grounds that defendants were not resident in the colony. In the circumstances it was desirable that the judgment should be executed as early as possible.

His Lordship did not consider there was any probability of defendants absconding, and declined the application.

Mr. Calthrop (instructed by Mr. H. W. Looker), who acted for defendants, asked for a stay of execution on the ground that there was another action pending.

His Lordship said he could not take notice of another action which was going on.

Mr. Pollock said the circumstances were not the same in that action as in the other where his clients were defendants, because they were resident in the colony.

Mr. Calthrop explained that his clients were bringing a third action against the Carlowitz Company.

Discussion followed on the question of security.

His Lordship decided to stay execution and leave over the question of costs pending the settlement of the third action.

YU KU UN v. WONG KI HANG AND ANOTHER.

In this action plaintiffs claimed that defendants be ordered within ten days from the making of an order to execute an indenture of legal mortgage in favour of the International Banking Corporation and that in default of the defendants' execution, the Registrar be ordered to execute such mortgage.

Mr. H. E. Pollock, K.C., appeared for plaintiffs. Defendants entered no appearance.

Mr. Pollock stated that plaintiff was compradore to the International Banking Corporation in Hongkong, and in that capacity he was bound to indemnify the Corporation against defaults made by customers who were introduced by him. Amongst the customers introduced to the Corporation by plaintiff were the defendants, Wong Ki Hang and Wong Ki Leung, who were carrying on business for some years in the Colony under the style of the Wai Wo Bank. That bank failed either early this year or last year and plaintiff accordingly became responsible to the International Banking Corporation for moneys due by the Wai Wo Bank and defendants, which amounted in round figures to \$100,000. In accordance with the custom amongst compradores plaintiff—fortunately for himself—had obtained from the defendants security upon certain property. He got a deed of charge on equitable mortgage dated 16th November, 1904, from the defendants. By that deed of charge the plaintiff obtained the charge of Inland Lot 1909 as security, and it was asked that a proper legal mortgage be made out in favour of the International Banking Corporation.

His Lordship asked whose was the responsibility for seeing this the deed was right.

Mr. Pollock thought the Registrar would see that it was in proper order.

His Lordship did not think the responsibility should be thrown on the court.

Mr. Pollock agreed but remarked that if his Lordship would make an order that a proper mortgage should be executed in pursuance of an equitable charge in favour of the International Banking Corporation that would be satisfactory.

His Lordship said that in the event of some slip being discovered the responsibility would fall on the Registrar. They were not conveying to the court.

Mr. Pollock said it seemed to him the Registrar would have difficulty in escaping responsibility. He would have to read through it.

Evidence was then called.

G. A. Moir, sub-accountant in the International Banking Corporation in the Colony, produced a certified copy of the account in his book with the defendant company, and stated the account and interest up to date showed that defendants owed the International Bank \$104,488, for which the compradore was liable, as he had introduced the defendants to the Bank.

Plaintiff said he had been compradore of the International Banking Corporation from May 1903. He knew defendants personally. They carried on business under the style of the Wai Wo Bank, and did business with the Banking Corporation. He introduced then to the Corporation and obtained from them a deed of mortgage in security. He was responsible for the defaults of the Wai Wo Bank, and had sent a statement of their account to the defendants, but they had left the colony. He had instructed his solicitors to prepare a legal form of mortgage in favour of the International Banking Corporation.

Mr. Pollock said that was his case. He asked for relief in accordance with the statement made.

His Lordship made the requisite order.

CURIOUS BANKING TRANSACTION.

Mr. H. E. Pollock, K.C., appeared in the matter of the Hongkong and Shanghai Banking Corporation asking for relief against Mrs. Augusta Camilla Tavares made on behalf of herself and infant daughter against the claim of Mr. A. H. Tavares, husband of the said Mrs. Tavares.

His Lordship—Before this action is heard I wish to say a few words. I received a letter in connection with this case. I sent it back. I received another this morning. I wish it to be understood that such letters should not be written. The second letter was returned unopened.

Defendant was not represented.

Mr. Pollock stated that the question was whether a certain sum deposited in the Hongkong and Shanghai Banking Corporation should be decreed by his Lordship to be the property of the husband or whether it should be decreed to be the property of the wife, the defendant in this case. The circumstances were these. In 1903 Tavares deposited a sum of money in the Yokohama Specie Bank in the name of his wife without informing her that he had done so, and at the end of the year

he got it out of the bank, with the interest accruing, by simply writing his wife's name on the back of the deposit receipt. Mr. Tavares was apparently of a suspicious temperament and apparently anxious that his friend should not know too much of his affairs. He deposited the money in the Hongkong and Shanghai Bank in January of this year, again following his previous tactics, and putting the deposit in his wife's name. At the end of the six months he added to the \$5,500 deposited sufficient with the interest to make it \$6,000. Dealing with the points of importance, Mr. Pollock said that when the money was deposited running on for the two years—Mr. Tavares did not intend that to be a gift to his wife. He did not communicate the fact to her. If he intended it as a provision for his wife he would have held some communication with her. Another point was that the deposit receipt was kept by him: it was never handed to her. A third point was that as a matter of fact Mr. Tavares was not on good terms with his wife for some considerable time, since February, 1904. Mr. Pollock quoted cases in support of his contention, and said that the *prima facie* view of the case that it was intended as a gift to the wife was rebutted by the circumstance of the case. He would ask his Lordship after hearing the plaintiff's evidence, to come to the conclusion that as a matter of fact he did not intend that as a gift to the wife.

In reply to his Lordship, Mr. Pollock said that Mrs. Tavares could not have gone to the Bank to claim the money because she did not have the receipt and because she did not know of it before these proceedings were commenced. She had requested a firm of solicitors to act for her.

Plaintiffs said he lived in Hongkong, where he intended to stay permanently. He put money in the Yokohama Specie Bank in January, 1903, when he deposited \$6,000 for six months in the name of his wife. At the end of the six months he withdrew the money writing his wife's name on the back of the receipt. He never informed his wife of having deposited the money in her name. In January, 1904, he deposited money in her name in the Hongkong Bank to the amount of \$5,500. Neither did he inform his wife on that occasion of having deposited money in her name. In July, 1904, when the first deposit receipt ran out, he collected the interest and put in sufficient to make a fresh deposit for \$6,000, also in the name of his wife. He did not inform her of that transaction or hand the receipt to her. He deposited the money in her name so that his friends would not come borrowing money from him. He had lent money before. He was not living with his wife. She went to Macao last year and never came back. He did not know the reason why. He had asked her to return to Hongkong. When she left he gave her \$2,000, but he did not intend the money deposited in the Hongkong Bank as a gift to his wife. At present he had lent about \$7,000 or \$8,000.

The case stood over till later in the day.

On resuming in the afternoon.

Mr. Pollock said he should like to differentiate between the cases to which his Lordship had drawn his attention. Having addressed the Court at length on these he argued that Tavares did not intend to make the money deposited a gift to his wife but being of a suspicious nature he took that course not to let his friends know he had such an amount of money.

His Lordship thought that was a lame excuse. The point was whether at the time he deposited that money he intended her to keep it.

Plaintiff was recalled and, questioned if he made his wife an allowance, replied that a priest in Macao owed him \$3,000 which his wife was collecting at the rate of \$40 a month and keeping. She also lived in a house belonging to him. With regard to the \$6,000 deposited in the name of his daughter, he intended that for her use in the event of his going abroad or his dying. He did not wish his wife to handle it. When he put the \$6,000 in his wife's name he did not intend it as a gift to her. His mind had not been changed as the result of her staying in Macao.

His Lordship said—I am quite satisfied there was no intention to make a gift with regard to the wife, but there was with regard to the daughter. The first \$6,000 may be paid

out to plaintiff, but the second \$6,000 should remain on deposit the costs to be taken out of the \$6,000.

Some discussion followed as to the appointment of a trustee, but this with the framing of the order, was postponed till his Lordship sat in chambers next day.

PARTNERSHIP DISPUTE JUDGMENT.

His Lordship delivered judgment as follows:—The judgment I am about to give is based entirely on the clause of the agreement, which provides that all disputes arising under it are to be referred to the exclusive jurisdiction of the German Courts. But in view of possible future proceedings, it seems to me convenient that I should first deal briefly with the other point of law raised on this issue.

It is clear from the affidavit of Mr. Schwerer filed on the 6th of this month, that complaints are intended to be made against the defendant in respect of his conduct of the partnership which were not included in the action brought in the German Courts: in other words, that new grounds for the relief prayed—dissolution of the partnership—are to be put forward. While, therefore, it is clear that in respect of those matters which have already been adjudicated upon in Germany, and in respect of which this relief has been refused, the matter is *res judicata*, yet a different foundation to the claim for relief is intended to be advanced; and on the authority of *Henderson v. Henderson*, I think that such a suit in Hongkong is not barred by the judgment in the German proceedings. In such suit, however, the evidence as to acts done before the trial in Germany which might with reasonable diligence have been brought forward in support of the foundation for the relief prayed for in Germany, could not be adduced. It would have been a question at the trial what those acts were, and whether or no they could have been adduced in Germany if they had been discovered after the commencement of the proceedings and before judgment. Further, although it might not have been necessary to amend the Statement of Claim, yet it is so drawn that on the face of it there appears to be a *prima facie* case of *res judicata*. It is not till the last moment that the new grounds are brought forward, and the continuance of the suit could only have been allowed subject to terms as to the costs of this motion.

I now proceed to deal with the exclusive jurisdiction clause. The plaintiffs and the defendant entered into a partnership agreement in Germany, one clause of which provided that all disputes concerning the partnership should be submitted exclusively to the jurisdiction of the Hamburg Court. If words are to be given their ordinary meaning, this must mean that all actions in respect of partnership disputes are to be brought in Hamburg and not elsewhere. It is said that in spite of this clause this action may be maintained in Hongkong. I will deal presently with the fact that the partnership agreement was to be in part performed in this Colony.

Now the authority for this proposition is said to be *Scot v. Avery* (5 H.L. Ca. 811), in which the doctrine was affirmed that "parties cannot by contractoust the Courts of their jurisdiction": which might be put in the cruder form that if two persons agree for good consideration not to sue in respect of a given matter, yet they can sue. It was in fact thus stated by Alderson B.—"any agreement which is to prevent the suffering party from coming into a Court of law cannot be supported."

The principle thus baldly stated needs much examination: with respect, more than it received by the Judges and the Lords in the case, except Lord Campbell. There are, however, certain sentences in the opinions and judgments which throw some light on the meaning of the doctrine.

Coleridge J. said: "If two parties enter into a contract, for the breach of which in any particular an action lies, they cannot make it a binding term that in such event no action shall be maintainable, but that the only remedy shall be by reference to arbitration. Whether this rests on a satisfactory principle may well be questioned; but it has been so long settled that it cannot be disturbed. The Courts will not enforce or sanction an agreement which deprives the subject of that recourse to their jurisdiction, which has been considered a right

inalienable even by the concurrent will of the parties. But nothing prevents parties from ascertaining and constituting as they please the cause of action which is to become the subject matter of decision by the Courts." The Lord Chancellor put the principle in a very different way. He said, "There is no doubt that where a right of action has accrued, parties cannot by contract say that there shall not be jurisdiction to enforce damages in respect of that right of action. The doctrine depends upon the general policy of the law, that parties cannot enter into a contract which gives rise to a right of action for the breach of it, and then withdraw such a case from the jurisdiction of the ordinary tribunals."

The question in dispute was whether an agreement that a reference to arbitration should be a condition precedent to bringing any action on a policy of insurance fell within this principle. Lord Campbell, agreeing with the Lord Chancellor, declared that public policy required that effect should be given to such a contract. He then discussed the principle itself, and said that "it probably originated in the contest of the Courts in ancient times for extent of jurisdiction, all of them being opposed to anything that would altogether deprive everyone of them of jurisdiction. There is a saying of Lord Coke, which is the original foundation of this doctrine: it is this, 'if a man makes a lease for life, and by deed grant that if any waste or destruction be done, that it shall be redressed by neighbours, and not by suit or plea; notwithstanding, an action of waste shall lie, for the place wasted cannot be recovered without a plea. Where an action is indispensable, you cannot oust the Court of its jurisdiction over the subject, because justice cannot be done without the exercise of that jurisdiction. That is all, and there is no doubt about that. This is the foundation of the doctrine that the Courts are not to be ousted of their jurisdiction.' He then refers, though hardly with approval, to the cases which admit the possibility of an action being brought in spite of an agreement to arbitrate, where the arbitration had not been made a condition precedent.

We have here, then, the principle; and if Lord Campbell's opinion be followed, there is nothing left of it. But taking, as I am bound to do, the judgments of the other judges, there are two very important terms used by them which cannot be overlooked. The recourse to the jurisdiction of the Courts which is not to be interfered with is that of "the subject": it is this which is the "inalienable right"; and the Courts referred to are called the "ordinary tribunals." Now, if this principle is to be applied to the present case, we must say that the British Courts are the "ordinary tribunals" for non-resident foreigners to resort to; and also that it is their "inalienable right" to resort to them. It is true that foreigners, whether resident or not, are allowed to sue in the British Courts. When they are resident it is their right, but I doubt whether it can be called their inalienable right. When they are non-resident it is subject to a condition, which is liable to be altered: they have the right, on fulfilling the condition, so long as it is not taken away. I am of opinion that the principle which has been appealed to, if it exists in any other form than that stated by Lord Campbell, does not apply to foreigners at all; certainly not to non-resident foreigners. Mr. Sharpe seemed disposed to concur in this view, but argued that the principle did apply, even between foreigners in the case of a contract to be performed within the jurisdiction. The answer to this is that there is no such doctrine as that the Courts have either exclusive or inherent jurisdiction over contracts to be performed within the jurisdiction. There is a procedure for effecting service of a writ on absent defendants, and sometimes it applies because a contract, the subject matter of the action, is to be performed within the jurisdiction. But this cannot be said to be a fundamental rule of law. The exercise of this assumed jurisdiction has for many years been subject to variation depending on the view of expediency prevailing at the time, now of Parliament now of the Rule Committee. Prior to 1852 it hardly existed at all. By the Common Law Procedure Act it was allowed when the cause of action arose within the jurisdiction or when a contract

was made within the jurisdiction; and then arose the well known discussion as to what "cause of action" meant when applied to contracts. In 1875 one set of rules was issued: in 1883 another; and there may be others in the future. And the rules vary in every Colony. It is therefore impossible to say that it is a recognised principle of law that the Courts of any country have jurisdiction over contracts to be performed within the jurisdiction.

My view that an agreement to submit disputes to the exclusive jurisdiction of a foreign tribunal will be enforced by the English Courts to the ousting of their own jurisdiction in spite of the doctrine of Scott v. Avery, is supported by inference from certain of the cases quoted in the argument before me. In the "Austrian Lloyd Company v. Gresham Assurance Society," there was a simple agreement to submit disputes to the Courts of Budapest. It was not exclusive as in the present case. There was no reference to the doctrine of Scott v. Avery, nor even to Thompson v. Charnock, the case cited with doubtful approval by Lord Campbell. It was simply treated as one of interpretation of the words used. Romer L. J. said "the question is this: does the condition merely mean that if one of the parties to the contract is sued by the other in the Court of Budapest, he will not take any objection to its jurisdiction; or, does it mean that the parties mutually agree that if any dispute arise under the contract, it shall be determined by the Court in Budapest? Having regard to the nature of the contract and its language, I am of opinion that the latter construction is the correct one."

A similar point arose in Hoerter v. Hanover Caoutchouc Co. (10 Times L.R.) The case is much cumbered with questions of procedure; but the following points are to be noticed: that in the Court below Pollock B. expressly recognised the possibility of an agreement to give a foreign Court exclusive jurisdiction; and in the Court of Appeal, the Master of the Rolls, in dealing with the argument that the agreement ousted the jurisdiction of the English Courts, said that the contract was a German contract, and that this question would have to be decided by German law.

The argument before me in this case was a little complicated by references to submissions to arbitration, with consequent references to the Arbitration Act, or the corresponding rules of our Code of Civil Procedure. The special point raised being that by rule 541 power is given to the Court to stay legal proceedings where there is a submission to arbitration: and that therefore the defendant's procedure in raising the point in his pleadings and moving to have it tried as a point of law was wrong.

Law v. Garrett (L.R. 8 O.H. 26) undoubtedly warrants the proposition that an agreement such as the one now under consideration does come within the law as to submissions to arbitration. "Since the passing of the Common Law Procedure Act, s. 11, if parties choose to determine for themselves that they will have a form of their own selection instead of resorting to the ordinary Courts, a *prima facie* duty is cast upon the Courts to act upon such arrangement." The same rule now applies under the Arbitration Act, and the same principle was acted on in the Austrian Lloyd's case already referred to.

It is important to bear in mind exactly how this question arises. It is proper to raise the question of *res judicata* by defence, the question being tried like that of *lis alibi pendens* by issue of law; but as I have already said this defence cannot be maintained in respect of some matters raised in this action. The point is whether the exclusive jurisdiction clause can be raised by defence when rule 451 has, on the authority of two cases cited, provided a means for dealing with legal proceedings commenced in spite of a submission to arbitration. During the argument I expressed doubts whether the Arbitration Act could be applied at all to an agreement to submit to the decision of a foreign tribunal. On further consideration I still doubt it, more especially where, as here, the agreement is in a foreign contract. As the Master of the Rolls said in the case cited above, the contract being a German contract it must be construed according to the law of Germany. And again English statutes do not apply to acts done out of England unless expressly so stated. Further, much of the Act is quite inapplicable

to the judgment of the foreign Court resulting from the submission. Rule 550, for example, could not apply; it allows an award to be enforced in the same manner as a judgment of the Court. But the judgment of the foreign Court is in no sense an award; and the Legislature certainly never intended to allow execution on a foreign judgment to be obtained in this way. The action on a judgment has obviously no analogy to the procedure indicated in rule 550. It may be that the authorities do not really go farther than that rule 541 applies to such a submission. But even then it cannot apply to an exclusive submission, for that rule is based on the idea that the English Courts have a concurrent jurisdiction with the arbitrator. But the hypothesis in the present case is that the English Courts had no jurisdiction because it has been ousted by agreement. It is therefore difficult to see how a stay of proceedings can possibly be the proper remedy; for that supposes the possibility of continuing them at some future date. If, therefore, I am right in my view that the English jurisdiction has been ousted, there is no other way of raising that question effectively except by plea. The Court of Appeal in Law v. Garrett expressly said that the jurisdiction of the Courts was not ousted by the provisions of the Arbitration Act; and if there had been no such legislation the only way to raise the question would have been by plea as it has been in this case.

The defendant is, therefore, entitled to judgment on the first issue of law raised by him, the result being that the action in Hongkong must be dismissed with costs.

IN BANKRUPTCY.

CHAN YAM HANG, EX PARTE LO YU KEE.
Mr. D. Almada e Carro appeared for the petitioning creditor. The debt of \$386.63 was due on a promissory note dated 23rd October. The assets amounted to \$2,000 and the liabilities to \$3,000. He applied for a receiving order. This was granted.

IN SUMMARY JURISDICTION.

Monday, 11th September.

BEFORE MR. A. G. WISE (PUISNE JUDGE.)

A PROMISSORY NOTE DISPUTE.

Shi Yu Man brought an action against Cheung Sun Tin and the Tai Cheung Yow Ki to recover \$44.14 being the balance due for principal and interest on a promissory note dated 16th February, 1905, made by defendants in favour of plaintiff. The principal was \$2,000, and the interest \$168.26, a total of \$2,168.26, less \$1,000 paid on account.

Mr. C. E. H. Beavis (of Messrs. Wilkinson and Grist) appeared for plaintiff, and stated that the action was undefended.

His Lordship entered judgment for plaintiff with costs.

AN UNFULFILLED GUARANTEE.

Tsai Chik Nam sued In Kwai Sang for \$247.80 for board and lodgings supplied to Chan Lai Yu, the payment of which had been guaranteed in writing by the defendant.

Mr. O. D. Thomson represented plaintiff, and Mr. R. A. Harding appeared for defendant.

Mr. Thomson intimated that Mr. Harding had consented to judgment \$44 had been paid and judgment would be for \$207.80.

Judgment was entered accordingly.

Tuesday, 12th September.

IN ORIGINAL JURISDICTION.

BEFORE SIR F. T. PIGGOTT (CHIEF JUSTICE.)

CHEU HOK LAN v. THE FAT SOOL.

This was an application for an order to submit certain accounts. Mr. H. N. Farrers appeared for plaintiff, and Mr. E. H. Sharp for defendant.

Mr. Sharp explained that two orders had been made—one on July 1st and the other on November 4th. The former was for an account of the receipts and payments of the defendant as compradore to the Hongkong and Macao Steamboat Company, showing the net earnings of defendant as such compradore. The

first order, was for an account of the profits, and the second, which was more detailed, for an account of the payments and receipts showing the net earnings and the amount due to plaintiff at 15 per cent. of the net earnings. On 19th December defendant filed a long detailed account under the order of 4th November, and this account showed a balance due to the plaintiff of \$11.31. His client paid \$14.99 into court in the first instance, and the accounts showed that even less was due. Plaintiff was dissatisfied and disputed the account, and there was a long inquiry before the Registrar. Practically the whole of the costs of the action were incurred at that inquiry. Counsel attended on both sides. On August 16th of this year the Registrar filed his certificate and found that the account was absolutely correct and that only the balance shown was due to plaintiff.

The Chief Justice—And now you apply for judgment. You paid that into court.

Mr. Sharp—We paid a little more into court. I think the law is clear. The Registrar's finding is binding on both parties. If either party is dissatisfied he must apply to discharge or vary that certificate within 21 days. The certificate was filed on August 16th and now application has been made.

Mr. Ferrers—The whole point is that we never had any notice of what the Registrar was doing. He then read the affidavits of Mr. D. Almado and Mr. Looker, solicitors for plaintiff and defendant respectively. The former said he had no notice of the settlement, and the latter stated that so far as he knew the draft certificate was shown to Mr. D. Almado.

The Chief Justice said he could not see why notice should be given.

After further debate his Lordship gave judgment for plaintiff for \$11.31, the plaintiff to have costs up to proceedings connected with the rendering of the account, but defendant to have costs as to the inquiry.

Wednesday, 13th September.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE).

NGAI LUM V. KWONG TAK CHEONG.

This action, which had been partly heard, was for the recovery of \$457.17 due for work and material supplied the defendant.

Mr. P. W. Goldring (of Messrs. Brutton, Hett and Goldring) appeared for the plaintiff, and Mr. C. E. H. Beavis (of Messrs. Wilkinson and Grist) appeared for the defendant.

Mr. Goldring stated that the case was adjourned for him to supply the addresses of the parties. He thought the other side had admitted his claim, which was now settled.

His Lordship referred to the counter claim which they had better settle.

Mr. Goldring replied that they questioned the amount of the set off.

Captain Douglas, marine surveyor, said he knew the *Ying King* and knew defendant's slipway. The proper rent of the slipway for such a boat would be \$200 the first day, while a fair price to pay workmen engaged on the propellers was 80 cents a day for experts. About twelve, or twenty men at the outside, would be at work on the propellers at one time.

Mr. Beavis stated defendant's case. About October, 1903, the steamship *Ying King* was built, and in this the defendant's managing partner was interested. Defendant ordered the plaintiff to build two propellers and do other work for the *Ying King*, but on the propellers being examined by the representative of the defendant firm they were rejected as unsatisfactory. Ultimately as defendant was anxious to get the ship in the water, defendant accepted the propellers for six months under a letter of guarantee. The vessel was placed in the water in January, 1904, made her trial trip, and then started on the run between Canton and Macao. Somewhere near the end of May, 1904, an accident occurred to one of the propellers, through its striking a rock, and shortly afterwards the propellers were examined. As a result of this examination, defendant's manager ordered two new propellers. The one damaged by accident they promised to pay for, but with reference to the other,

which was to be replaced by a new one, as it would not last long owing to its construction, the plaintiff firm would pay. The *Ying King* was taken to the slipway, and the propellers were examined in the dry dock, not only by defendant but by his engineer and were considered unsatisfactory. Defects were pointed out to the manager of plaintiff's firm, who undertook to put in two new propellers as soon as possible. Defendant now charged plaintiff firm under the guarantee for the expense of docking, \$375, and with regard to the new propellers, which plaintiff firm were asked to put in, defendant had paid \$81 under the guarantee. That was how the set off was arrived at.

The manager of plaintiff's firm gave evidence bearing out counsel's statement. He said that he considered the charge made for docking was reasonable.

Cross-examined.—He was only a manager and not a member of the firm. He was left when the other partners ran away from the Colony. He went to Canton himself.

Chu Hing, manager of the Ngai Lam, was called.

His Lordship—How is the firm suing when they have all run away?

Mr. Goldring—The manager is here.

His Lordship—There is no firm; you have no status.

Mr. Goldring—There is a firm, my lord.

Mr. Beavis—This person says he is the manager, I don't know from whom Mr. Goldring takes his instructions.

Mr. Goldring—From the manager.

His Lordship—Suppose the plaintiff wins, who is to receive the money?

Mr. Goldring—I would give a receipt for it.

His Lordship—Are you appointed by the Court; or did you appoint yourself?

Mr. Goldring—I have full authority, my Lord, signed by the firm's chop.

His Lordship—Oh, very well.

Witness stated he joined the firm as manager in February, 1904, but unfortunately it did not last long and ceased in November of that year. The contract for the propellers was signed before he joined the firm, but the second set were examined by Kwan Tin Chok who pronounced them good and they were delivered.

Yuen Chok Hing, accountant in the Ngai Lam firm, gave evidence as to the use of the chop. Mr. Goldring said that unfortunately the books of the firm had been burned.

His Lordship—Yes, it is unfortunate.

Mr. Goldring submitted that the defendants in their set off had adopted a wrong proceeding to bring a cross action for damages on the warranty.

His Lordship—I don't think it is a warranty.

Mr. Goldring—If they were discontented it was their duty to bring a cross action and not set up a set off.

His Lordship—It is a right case for a set off—in the circumstances.

Mr. Goldring—Your Lordship is against me there?

His Lordship—Your difficulty is this. There is no firm. There is only one man who had power to act on their behalf and he is on the other side.

Mr. Goldring—Yes.

His Lordship—There is only one man's evidence that is worth anything, the manager's, and he says they are right.

Mr. Goldring—Yes, but the document is not properly chopped.

His Lordship—I don't think it is a wrong chop.

Mr. Goldring submitted that the story of defendant was trumped up to get out of payment to the representatives of Ngai Lam. The set off could not possibly succeed, while the particulars of their claim were excessive.

His Lordship gave judgment for defendant with costs after paying into court plaintiff to get costs up to the payment into the court. He would, therefore, take his 37 cents.

Thursday, 14th September.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE).

A BUILDING CONTRACTOR'S FAILURE.

Ho Hang Tsun, building contractor, Chin Lung Street, attended for his examination in bankruptcy.

Debtor, in reply to the Official Receiver, said he was a contractor. He commenced business four years ago, and during that time he had contracts for building houses. His business was at first a company, but he had carried it on alone during the last two years. He commenced business with \$2,000, but he lost money on each of three contracts. He received all the money for the contracts except \$3,000 from Li Mun Pun.

His Lordship—That is his asset, then?

Mr. Wakeman—Yes. Debtor added that he had been a sleeping partner.

His Lordship—As the other man has run away he will be a sleeping partner with himself. The examination was closed.

CANTON.

(FROM OUR CORRESPONDENT.)

7th September.

IMPERIAL EDICT.

I mentioned in my correspondence of the 1st instant that Viceroy Shum had sent a memorial to Peking imploring the Throne to permit him to resign the viceroyship of the Two Kwang. I have just heard that he has received an Imperial Edict (by cable) from the Wai-wu-pu granting him one month's leave to take rest. Permission was also given to him to turn over all his duties to the Provincial Treasurer; but if any matters of importance should arise he is requested to give his personal attendance.

CUSTOMS NOTIFICATION.

I have just received the following notification from the I. M. Customs here:—

"Notice is hereby given that this Office will be closed for the transaction of public business, and the shipment and discharge of cargo suspended, on Wednesday the 13th instant (the 15th day of the 8th moon)—the Chinese Mid-Autumn Festival.

(Signed) F. J. Mayers.

Acting Commissioner of Customs.

Canton, 7th September, 1905.

PO WAI YING.

The deputy that was appointed to examine the accounts of the Po Wai Ying has already forwarded his report to the Sin-Hau kuk. It states that many corrupt and incorrect statements have been discovered in the account books; and that it would be very difficult to find out all the false entries. It is also stated that several items of misappropriation of the funds of Po Wai Ying have been found out. The Sin-Hau-kuk has sent a petition to the Viceroy enclosing the deputy's report.

CHAMBER OF COMMERCE.

His Excellency has appointed Cho Sin Chuk alias Cho King Hing to be president, and Chan San Shan (Taotai) to be vice-president of the Chamber of Commerce in Canton, and they will take up their respective offices to-morrow.

ROBBERY.

At about 3 p.m. yesterday, eight robbers entered the Fook On fan-tan house in Sheung Kwai Fong, Honam. They took all the money that was on the fan-tan table and ran away. The braves that were posted outside the house pursued the robbers and when they got near Sin Chung, the thieves, who were all armed with revolvers, fired on the braves but luckily they all escaped unhurt. Unfortunately, two men in the street were shot. One was instantly killed; and the other, seriously wounded, was carried back to the fan-tan house. None of the robbers have been arrested yet.

AMERICAN BOYCOTT.

It is said that Messrs. Shewan Tomes and Company here have communicated to the British Consul-General that rumours have been spreading in the city that the China Light and Power Company, Limited, is an American concern because they are agents for the company in Canton. Consequently some of the bad characters in the city have cut the electric wires and destroyed some of the poles. The British Consul has sent a despatch to Viceroy Shum calling his attention to what has happened. Yesterday the Viceroy ordered the prefect to issue a proclamation informing the people that the electric company is a British concern and a great many Chinese are also interested in the company. That in the beginning of this year this company had made a contract with the Chinese Government in which they

have agreed to pay an annual royalty. That if the people were to destroy any of the company's property they would be only doing harm to their own countrymen.

BOAT TAX.

Viceroy Shum, as you probably know, is very anxious to put a stop to gambling in the Kwangtung Province. There is, however, a shortage of revenue, and His Excellency found it impossible to cut off that derived from this source without replacing it in some other way.

Some people now ask, "why not reimpose the tax on boats?" The last monopolists failed because they used European measures to calculate the tax to be imposed on each craft. A riot ensued and the Government cancelled the concession.

The monopolists at that time offered \$280,000 per annum for the right to tax all boats in Kwangtung Province. I am well acquainted with the farmers in question, and they told me that they expected a profit of about \$1,000,000 a year.

Now, if the Chinese Government were to take the matter up themselves they could collect a large amount of revenue from a source so extensive that it would not cause any great individual hardships. The number of boats, large and small, in the Kwangtung Province is something like 300,000. An average of \$1.50 per craft would bring the figure to over a million dollars.

Take for instance the British portion of the canal at the back of the Shameen. There are about 800 boats of different sizes which are taxed by the Municipal Council as follows:—

Sha Teng (sampan). There are about five hundred of these, the tax being from \$1 to \$4 each per annum.

Cha Teng (tea boats). About eighty; taxed from \$4 to \$8 each per annum.

Yuen Po Teng (joss paper boats). About fifty in number, taxed from \$4 to \$8 each per annum.

Tun Po Teng (boats where one can hire a bed to pass a night in). About one hundred in number, taxed from \$4 to \$5 each per annum.

Chu Hong Teng (pig's brain boats). About fifty in number, taxed from \$4 to \$8 each per annum.

Sze To (silk junks). There are about twenty of these, taxed from \$12 to \$15 per annum.

There is also an additional fee of twenty cents for issuing the license. The total amount of revenue collected from these boats is about \$5,000 per annum.

A great nuisance to those residing on the back of the Shameen is caused by the canal being congested by these boats. Quarrels take place day and night, fighting and what not. Over a hundred of these boats are occupied by prostitutes. At times so densely do the boats crowd together that a floating bridge is made from China town to the Shameen.

What would happen if a conflagration broke out amongst these boats? The Shameen would be over-run by all sorts of bad characters, who would certainly rob the residences during the excitement.

During the night a rearing trade is done by hawkers' boats, the occupants of which advertise their wares at the top of their voices. What is the use of a Municipal Council at all if it cannot arrange things better than this? This awful noise is kept up till two o'clock every morning.

I would further point out that though the bridge leading from the Chinese town to Shameen is guarded by a policeman, who searches all parcels that are taken out by Chinese to the city, the back part of the Shameen all along the canal is not policed at all! What is to prevent robbers or thieves dumping stolen goods into a sampan and, for that matter, going off in sampans themselves with their booty.

Again, suppose there was a riot in Chinatown; with the congested traffic in the canal the mob could walk over the boats on to the Shameen.

Now, the big question is: how is all the enormous revenue collected from these boats by the Municipal Council disposed of? To improve the canal? Not a bit of it. The canal is silting up every day with rubbish thrown into it. This is not so in the French concession, where not more than one row of boats is allowed to lie idle, and at night time here three parts of the canal is clear of boats. The system as carried out on the French concession, indeed, is perfect. No noise; no quarrelling for

places. Most of the boats here are above-board business craft, and not brothels in disguise. Perfect peace and harmony prevails. Two policemen walk up and down the bank, and this in spite of the fact that the French concession is not nearly so long as the British.

Canton, 8th September.

THE WISDOM OF THE VICEROY.

In a previous letter, I mentioned that a merchant named Ng Po Kwong had petitioned Viceroy Shum for a concession to build the water works of the Canton City, &c. Since then, another citizen here, by the name of Ho Kai Sau, has also applied for the same privilege. His Excellency Viceroy Shum is reported to have replied:—"I have discovered that the petitioners, Ng Po Kwong and Ho Kai Sau, are not substantial business men, that they possess no capital of their own, that their sole object is to secure the concession in their names first, and to make capital out of it afterwards. I have a suspicion that if they acquired the concession they would hawk it round among the different European firms in the hopes of raising foreign capital to float the project and, of course, at the same time, to benefit their own pockets. I have observed that all epidemics, such as plague, cholera and typhoid generally spring up in the winter and Spring seasons, and the majority of the people do not know that cleanliness is essential to the preservation of health. As a matter of fact, a great many of the people do not take any trouble to look after their health, nor have they any notion of cleanliness and sanitation, and large numbers of them have contracted diseases through drinking impure water from the wells and canals. In Canton very few wells have pure water that is suitable for drinking. The wells are all made so close to the drains that naturally some of the filthy water in the drains filters into the wells. During the Winter season when the water in the wells is very low, it becomes much more filthy, repugnant and full of germs. It should be no matter of surprise that those people who drink water from these wells are liable to contract diseases which germinate in the Winter season and break out in the Spring season. I have gone into the water works question very carefully and I am certain if it is placed in skilful hands this gigantic project could be completed without much difficulty. It will not only be a great benefit to the place but the concessioners will also be able to make an enormous profit from the business. But it would be very dangerous to grant such an important concession to people of insufficient standing. I am aware that His Excellency Cheong Cook Nam has been lately appointed minister to examine into the commerce of foreign countries. I know him to be a man of excellent reputation, and he is considered to be one of the wealthiest men in the Kwangtung Province. I am sure he will be able to raise the large capital, and to encourage his own countrymen to take up shares in a concern that would be so profitable and beneficial to the city. I have, therefore, placed the water works proposition entirely into his hands, for him to draw up the necessary regulations of the company, and to invite people to take up shares in the concern."

APPOINTMENT OF MINISTERS.

Local authorities have received a telegram from Peking which states that on the 4th inst. an Imperial Edict was issued appointing Mr. Chan Tung Shang (formerly Hoppo's Treasurer) minister for China to Belgium. Yesterday Mr. Wong Ko, a Tartar "Hanlin" here, also received a private telegram saying that an Imperial Edict had been issued appointing him minister for China to Italy.

TRIAL OF THREE BOYCOTTERS.

Yesterday, the three arch-boycotters Ma Tat Shun, Poon Shun M'ng, and Ha Chung Man, who were arrested by order of Viceroy Shum in the meeting which was held at the Kwong Chai Hospital, were tried before the Nam Hoi Magistracy. I believe orders were given not to try the case in public court. No clerks, interpreters, or yamen runners were permitted to be present at the inquiry. The Nam Hoi Magistrate spoke Cantonese to the prisoners, and their statements were taken by the Nam Hoi personally.

Canton, 9th September.

VICEROY'S DOCTOR ARRIVED.

The celebrated Doctor Chan Lin Fong, who was summoned by Viceroy Shum, arrived here yesterday with another Doctor named Li Ping Shu, a member of the Official Medical Society. They both took up their quarters in the Viceroy's Yamen.

SUN NING MAGISTRATE IN DIFFICULTY.

Recently several trades in the Sun Ning district petitioned Viceroy Shum, charging the Sun Ning Magistrate, Chan Yick, with committing some very serious offences. His Excellency immediately issued an order to suspend him from duty. He was brought to Canton yesterday and handed into the custody of the Poon Yu Magistrate, who has since received official instructions from the Viceroy to investigate the case.

WEN TAOTAI'S NEW APPOINTMENT.

Cheong Cham Yeong and Chau Sin Piu (Taotais), president and vice-president of the Cheong Pin Hok Tong, of Canton, have received official instructions from Viceroy Shum to proceed North to review the grand Naval Manoeuvres of the Pei Yang squadron. During their absence, Taotai Wen Tsung Yao will be appointed acting president of the college.

GOVERNMENT OFFICES.

In my correspondence of the 30th ultimo I mentioned that Viceroy Shum ordered the following offices to be removed to the Governor's Yamen, viz:—Sin-Hau-Kuk, Li Kin Head Department, Chief Police Station and the Sha-Tin-Kuk. Since issuing the above order, His Excellency has deputed an officer to survey the Governor's premises, and to make an estimate of the cost of certain alterations and repairs. A few days ago the officer sent in his estimate, which amounted to about 15,000 taels. When Viceroy Shum saw that the total sum in the report ran up to five figures he immediately rescinded the order.

EARTHQUAKE.

At noon to-day a rather severe earthquake occurred here. The shock lasted several seconds. Many people said their houses were shaken.

HA CHAN TONG.

It is said that a merchant here has offered \$120,000 to Viceroy Shum for the re-opening of the "Sing Song" houses in Ha Chan Tong. As the offer is such a tempting one, I have no doubt that he will accept it.

BOYCOTT CONTINUES.

There is no doubt that Viceroy Shum has been lately endeavouring to crush the American boycott. He has imprisoned several of the chief agitators, issued proclamations sternly prohibiting all public meetings and speech making, and warned the people that if they are caught posting insulting placards, he will cause them to be most severely punished. Notwithstanding these stringent measures there has been very little sign of abatement of the boycott movement. Yesterday a Chinese friend of mine told me that only a few days ago the boycott committee had sent printed notices to all the traders and residents in the city directing them to have the notices posted on the walls of their premises. I went and made a copy of the notice. Almost every shop or residence had one posted on its front. Here is a literal translation of it: (Headed with large characters). "This family or shop (as the case may be) will not purchase American goods." (The following is in small characters) "Americans have maltreated the Chinese. This is contrary to reason or right principles. Now the people of our country are united in retaliating by not purchasing American goods. This is only a proper course to adopt. If any of our countrymen should transact business with the Americans they must be devoid of the sense of shame."

A tobacco factory has been started in Honam and it is said they are turning out cigars and cigarettes by the thousand daily. An express was circulated by this factory the other day which is worded as follows:—(Headed). "Do not smoke American cigarettes and cigars. Our brand is much cheaper and better."

"In order to meet the demand and wishes of our countrymen who have given up smoking American cigarettes and cigars we have established a large factory in Honam. We shall be pleased to receive orders from merchants and traders."

Moon cakes are unsaleable this year, on account of rumours in town that they are made from American flour. Many of the tea shops and restaurants who have large stocks of these cakes are now suffering from the effects of the boycott.

Canton, 11th September.

POLICING OF CANTON HARBOUR.

Chan Hok Yuen (Taotai), who was appointed Director of the Police force here by Viceroy Shum about a month ago, is a very energetic official. Since his appointment to that position he has made great improvements in the policing of the town. It is said he had a long consultation with the Poon Yu Magistrate yesterday regarding the establishment of Water Police for the Canton Harbour. He suggests building twenty police boats and two steam launches for the river service.

PEKING ADVICE TO BOYCOTTERS: "KEEP IT UP."

On the 9th instant at about 10 a.m. the Kwong Chai Hospital received a telegram from the Cantonese scholars of the college in Peking which states that the Peking Government does not prohibit the boycott of American goods provided it is carried on in a legal and proper way, but the people should be very cautious in their actions and must not use any violent or barbarous measures in carrying out their retaliation. They also requested their countrymen to be firm and keep it up as long as possible.

PAWN SHOP SEIZED.

The masters of the Yan Cheong pawn shop in Lok Po Sze, Poon Yu district, were summoned by the Poon Yu Magistrate to appear before him to answer a charge of receiving firearms in pawn. The defendants, who were afraid to appear before the court, ran away and left the pawn shop to the mercy of the Magistrate, who immediately seized the place and confiscated all the firearms. A proclamation has since been issued inviting people to purchase the building.

CANTON CHAMBER OF COMMERCE.

The following notice was sent round to the members of the Chamber of Commerce here to-day:—

Members are invited to attend a meeting to be held in the Club (by kind permission) on Monday 11th instant, at 6.30., for the purpose of considering the question of trans-shipping charges on junk cargo and f.o.b. Hongkong sales.

(Signed) C. LAURENTZ.
Shameen, 9th September, 1905.

A "TIP" FOR HONGKONG.

Since Viceroy Shum issued the proclamation re gambling, many petitions have been forwarded to the Sin-Hau-Kuk suggesting all kinds of ways to obtain revenue to replace that which is derived from fan-tan. A few days ago a Bachelor of Arts by the name of Wong Yim Fui sent a petition to the Sin-Hau-Kuk, in which he suggested the imposition of a tax on all the people who possess more than 10,000 taels' worth of property. The Sin-Hau-Kuk thought the idea was an excellent one but was rather doubtful as to whether the rich people would agree to such a proposition! The Bureau of local affairs has, however, directed the Nam Hoi and Poon Yu Magistrates to investigate the matter and also to obtain the opinion of the majority of the wealthy people. Should this tax be enforced, there will be another boom in Hongkong property. Hongkong property holders should take this "tip" and profit by the opportunity.

Canton, 12th September.

FIRE.

A fire broke out in Ha Chan Tong about 2 p.m. to-day. Several of the "Sing Song" houses have been burnt down. It originated from a match by the canal. At time of writing it is still burning.

KILLED BY A TRAIN.

At about noon on the 9th instant a woman was knocked down by the train at Sam Ngan Kin ("Three Eyed Bridge") and instantly killed.

LIKIN DUTY TO BE ABOLISHED.

Viceroy Shum has received a telegram from Peking requesting him to enquire into the likin affair, and to report whether it could be abolished without causing any financial difficulties.

CANTON-HANKOW RAILWAY.

On the 10th instant Viceroy Shum received a telegram from Peking stating that the Government has placed the administration of the Canton-Hankow Railway entirely into the hands of Viceroy Chang Chih Tung, Minister Liang Cheng, and himself.

Canton, 14th September.

MOON FESTIVAL.

Yesterday being the fifteenth day of the eighth moon was observed as a general public holiday here by the Chinese celebrating the Moon Festival. All the yamens, the I. M. Customs, factories, and a great many of the larger shops in the city were closed. Thousands of flags and lanterns appeared on the roofs, and the streets were crowded with sight-seers.

The harbour presented a striking appearance, bunting and lanterns showing everywhere, even the poorest sampans being adorned with paper flags and little lanterns. The noise made by the beating of gongs, tin basins and drums was not so pretty. The chief attraction was the flower boats (about three hundred all told) which were collected in Tai Sha Tau and most profusely decorated with fish lanterns, etc. There was also a grand display of fireworks. These proceedings were kept up till four o'clock this morning when most of the "flower boats" heaved anchor and returned to their usual moorings.

FIRE.

I reported on the 12th inst. that a fire broke out in Ha Chan Tong. I am informed that over twenty "Sing Song" houses were destroyed. Fortunately the fire was confined to the area recently shut up by Governor Chang, and none of the houses were inhabited.

PO WAI YING.

The public seems much pleased by the removal of Colonel Yeong Chik Sang from the position of commander of the Po Wai Ying. The following is a rough translation of the *Sze Man Po's* outspoken opinion in this matter:—

"We hear that Colonel Yeong Chik Sang is endeavouring to raise a big loan from his friends and relations and is also trying to dispose of all his steam launches, in order to obtain money to repay certain revenues which he embezzled. Yeong Chik Sang is well known to the public to be a very avaricious man, and the general public is also aware of the huge sum of revenue that has been collected by the Po Wai Ying. We believe the above rumour regarding the raising of a loan, etc., to be an ingenious way of deceiving the public, so that people may be led to believe that he is poor."

VOLCANO DISCOVERED.

A mountain in the Shin Hing district known as Foo Shan (Tiger Mountain), which is said to be very high and thickly studded with trees has recently thrown out large volumes of smoke and fire. Trees surrounding it were burnt down. The people in a village near by, ignorant of volcano, were panic stricken and declared that it must be a sign of the world coming to an end.

CHINESE DOMESTIC TRAGEDY.

A rich Chinaman in Fat Shen, surnamed Cheong, procured a wife for his son some years ago. As he had only one son and was very old and wealthy, he greatly desired to have a grandson. Recently he rented a house some distance away, and purchased the daughter of a boatman for his son as a concubine. Cheong, junior, was evidently very fond of his wife as he tried his best to keep things in the dark for fear that his wife should hear of it. Unfortunately, one day a talkative servant girl accidentally mentioned the concubine's name in the presence of Cheong's daughter-in-law. When she discovered that her husband had procured a concubine she committed suicide by hanging herself. Cheong's son grieved over the death of his wife. Last week he told his old father that he was going to Hongkong on some important business, and he has not been heard of since.

The Chinese Minister to London has got into trouble over his telegram account which he represents as £15,000. This certainly seems an excessive amount even allowing for the Tibetan Treaty, and we are hardly surprised that Peking has demanded "details." Perhaps he fancied he was a newspaper correspondent.

MACAO.

(FROM OUR CORRESPONDENT.)

Macao, 11th Sept.

THE CHIEF JUSTICE.

A large gathering of military officers and civilians assembled at the *Heungshan's* wharf this morning to bid farewell to the Chief Justice of this city, Dr. Magalhaes, who, at his own request, has been transferred to Beira in Africa. Dr. Magalhaes has been in Macao for many years, and is very well known and highly respected. He first came out as the Attorney General, which position he held for many years, with great credit, and was then appointed Chief Justice of Timor, and later of this city. Last year Dr. Magalhaes went home with his family, and after a few month's sojourn in his country returned to resume his position. Dr. Magalhaes was much respected and esteemed by the people of Macao both in his official and social capacities. His successor is Dr. Arez, who arrived here last Thursday. It is reported that there will be many official changes in the Colony soon.

THE EARTHQUAKE.

I am sorry to have to report another series of tremors, the first of which took place last Saturday afternoon. Various buildings have suffered damage, but the *Fazenda* building fared the worst, the tremor of Saturday causing a big crack from the roof down to the foundation. A good many edifices will require extensive repairs.

RECONSTRUCTION OF S. PAULO CHURCH.

I hear that the fund raised by public subscription and bazaars for the reconstruction of S. Paulo has been used up, and there is now a deficit of a few thousand dollars. Nothing has been done beyond the laying of the foundation stone, and I think that it is high time for the committee to render an account of their doings to the public; those who did subscribe will be very much interested to know how the project is progressing.

FANCY FAIR.

Another Fancy Fair is on the tapis. This will take place on the 30th instant and last proximo in the Flora Garden, kindly lent for the purpose. This bazaar has been promoted to raise funds for the extension and maintenance of a school for teaching the English and Portuguese languages to Chinese boys. The school was started by a Jesuit father of the Seminary of San Jose some time ago, and funds are now required for extending and maintaining this school. A large and influential committee of ladies and gentlemen of Macao, Hongkong, Canton, Shanghai, Japan and Timor has been appointed, presided over by H. E. the Governor and his wife. The Flora Garden is an ideal place for holding the bazaar, and as on the 1st October (Sunday) there will be the annual procession of the Holy Rosary, there ought to be a large influx of pleasure-seekers and other visitors from Hongkong.

PAKHOI.

September 6th.

THE LATE TYPHOON.

A typhoon, very much resembling that which we experienced on the 10th August last year, visited us on the 31st ultimo. While that of last year was more violent, this year it was of longer duration. For a few days previous, the weather had been threatening. The prevalence of westerly winds during the day, with a high temperature, has generally been accepted as a precursor of a storm. The floating population did not delay in finding shelter soon after these symptoms of approaching bad weather became evident, and it was probably due to these timely warnings that there were so few maritime disasters. At dusk the wind gradually increased in force, and at about 1 a.m. of the 31st there was no doubt as to the presence of a typhoon near and fast approaching. At twilight it began to blow hard and harder, accompanied by a little rain. At 11 a.m. the typhoon appeared to be at its height. Shortly after 12 o'clock the gusts commenced to decrease in force and to come at longer intervals, while rain began to fall heavily. As the day advanced the wind moderated. By 3 p.m. the storm was nearly over, with a gust occasionally, accompanied by heavy rainfall. The lowest reading of the barometer during the storm was 29.05 at about noon.

The wind went nearly round the compass, starting from N. W., then N. N. E., N. E., gradually turning round to S. E., and finishing at S. S. E. The damage done afloat was insignificant. Ashore there were few native habitations which escaped damage of one sort or another. Of the foreign buildings the German Consulate again suffered most, being constructed of light materials. A section of the wall outside the French School as well as a portion of the French Post Office wall were laid flat on the ground. Trees near the upper residences suffered considerably.

PUBLIC HEALTH.

The health of the port at present is good. Fortunately it is so, as we have only one medical gentleman—Dr. Abutioci—remaining, to attend us. Dr. Heorder, having been in delicate health lately, has left for your port to recruit his health, and probably will stay over until next month. Work that is admittedly too much for two men to manage is thus left for one to do.

THE BOYCOTT.

Nothing very startling has transpired in connection with this insipid movement, except that wild rumours are afloat that the American flour contains poison of some kind, and that people who partake of it get sick. Hundreds of bags sent to Ampow, in Koochow Prefecture, weeks ago, were returned the other day. It is time that the authorities ought to put a stop to this slander. The natives may be at liberty to buy what they choose with their money, but they cannot invent stories to the detriment of foreign commerce.

RIOT AT AMOY.

"IPHIGENIA" BUSY: SEVERAL CASUALTIES.

Placards were exhibited some time ago on all the walls of Amoy city, threatening a general strike from work and the closing of all shops, to take place on the 1st of the Chinese moon (30th August). The British Consul, on learning this, sent a telegram to the Hongkong Naval Authorities for a British war vessel to come at once, as it was feared that a riot would occur, and the naval authorities at Hongkong dispatched the cruiser *Iphigenia*, being the only vessel available, and she came into port on Monday, the 28th ult., to protect the British and foreign interests.

It was blowing pretty stiffly on the 29th and all the steamers and the cruiser went out for shelter.

On the 30th of August all the shops were closed, and the streets of Amoy were bare, as on Chinese New Year's day. The Bund was full of Chinese, and the trouble commenced at about 9.30 a.m. by the small boys throwing stones at the Custom House and the employees of the Customs began to drive them away with sticks and stones, so that a riot ensued and all the furniture and windows in the Harbour Master's office were broken and all the gigs were smashed to pieces and thrown into the sea. The rioters were trying to rush into the Customs office to ransack the place and employees of the Customs had to resort to arms; this resulted in the killing of five men and wounding of about nine men. The British cruiser came inside and landed about forty marines to quell the disturbance. When the picket-boat came alongside the jetty, all the rioters, over one thousand in number, made their escape and the Bund became deserted. The Chinese officials and soldiers appeared during the turmoil, but they could not do anything and the Chinese Taotai received a severe cut on the head with a stone; he had to go into his chair and made his escape.

It is quite evident that the presence of the British cruiser *Iphigenia* was needed, as had it not been for her, the Custom House buildings would have been destroyed by the rioters, and something more serious would have happened in the British Concession.

All the steamers left without taking or receiving any cargo on the 30th. The British India str. *Pundua* arrived on that day and all the Chinese passengers landed and went away of their own accord without being examined by the Customs. Several shops were opened for transaction of business next day. The Bund is guarded day and night by the marines from the *Iphigenia*. Everything is now very quiet.

Business is very slack now and some steamers are lying idle in harbour on account of the strike.—N. C. Daily News.

BOYCOTT DISCUSSION AT GOVERNMENT HOUSE.

The following was sent to us as a "memorandum of a conversation" held in the presence of Sir Matthew Nathan, Governor of Hongkong, between Mr. Taft, Secretary of War of the United States, and the following Chinese gentlemen residing in Hongkong: Hon. Dr. Ho Kai, Hon. Wei Yuk, Messrs. Fung Wa Chun, Liu Chu Pak, Ku Fai Shan and Leung Pui Chi.

Mr. Taft.—Gentlemen, I am very glad to see you. His Excellency, Sir Matthew Nathan, has been good enough to ask you to come here in order that I may discuss with you the situation with respect to United States trade in the province of Canton and generally in China in view of the threatened boycott of United States manufactures. I am advised that trouble has arisen out of a feeling of a sense of injustice on the part of Chinamen generally with respect to the enforcement of the exclusion laws in the United States. I ought to say that those exclusion laws are directed solely against the introduction into the United States of the coolie or strictly labour class, and that neither by treaty or by law was it intended to exclude merchants or students, nor was it intended to subject them to contumely or insult in the formalities attending their admission to the territory of the United States. The Bureau of Commerce and Labour, though for some time nominally under the Treasury Department, acted really independently of the head of that Department, who trusted wholly the administration of affairs to the Chief of the Bureau. The Chief of the Bureau was actuated with a desire to prevent the violation of the law, and made rulings with respect to its construction which were formally concurred in by the Secretary of the Treasury and which were in a number of cases probably too narrow and severe. Not until the last year has the attention of the President and the Cabinet been seriously called to complaints with reference to the unjust operation of the law against merchants and Chinese students who have attempted to come into the country in accordance with their treaty rights, and then, before even the boycott was threatened, the President directed the most searching investigation into the methods of the Bureau and announced his determination to put a stop to the abuses complained of. In public speeches in the United States, with the full consent of the President, I alluded to this subject, and spoke as follows:

"Some allusion has been made to some remarks that I have made on the Chinese question. If I had not been interviewed so many times in so many of your papers, and made to take so many different positions, I should not think it important to restate my position upon that question, because I know that you have a definite view; but my view generally is that we have reached a point in the life of our nation, where we are to be treated by other nations as an adult male; where we are to expect from other nations the same measure of courtesy, and politeness and justice as we mete out to them. Now then, I understand that all the nations of the world recognize that we are under no obligation to make this continent the dumping ground for their beggars and robbers and bad people generally, and therefore that we may pass properly and still look them in the face, alien exclusion laws, which shall prevent this fair land of ours from being loaded down with people who do it no good. I also understand that we have arrived at an agreement with the Chinese nation, by which, because their coolie class, when they come here as labourers, do not amalgamate and become citizens and do not promise to become a part of this country, that we may exclude them; that has been conceded by the Chinese nation and recognised by us; but on the other hand we have recognised that there are in China merchants and students and other people whom it would be an advantage to this country to have come here. Now we occupy toward the Chinese nation, by reason of the fact that the Chinese nation believes that we are not land grubbing in the Orient, and believes that we desire to do justice, we occupy a position which will give to us interest in the trade which is awaiting development. Now then, these are the premises. Ought we then to pursue a

policy with respect to these merchants and students that have a right to come here which will inflict on them contumely and thus destroy the position we have by reason of our position towards China in international affairs. I say no; and the state of California will say no too if the state of California knows her own interest and the interests not only of the wealthy man who carry on her enterprise, but of her labouring men. The labouring men make up the sinew of the country, and every time we increase our population by one hundred millions, it means that seventy-five millions are going to labour. How is it possible in the interest of labour to throw an insulting message in the face of China merely for the purpose of suiting a few persons who must look at this matter from a superficial standpoint. Now I have made plain my view on the Chinese question. I am not criticising the enforcement of the law, but what I am saying is that if either by treaty or law it is necessary that that insult should follow, then the laws and the treaties ought to be repealed because it is not the policy of this government to exclude their class. When you are doing a favour it is just as well to do it politely."

The above was spoken in San Francisco where there has been more of a prejudice on the subject of exclusion laws than any other part of the country. One of the troubles connected with the exclusion law was corruption existing in the consular system, by which in many cases the certificate of the consul was wholly unreliable because procured through fraud. The President has taken decided steps upon that subject, has removed the officials conniving at this corruption and loose practice, and has restored by his proclamation proper evidential weight to the certificates of the consuls.

I can speak with certainty and confidence of the President's earnest desire that the classes of Chinamen, the merchants, students and others who have the right to enter the country, shall not be in any way hindered in their free coming and going between China and the United States. It may be necessary in order to accomplish this that there be some change in the law or treaty, and if so the President will certainly take pleasure in effecting and recommending to Congress such reasonable changes. The method of securing this by boycott is not a fortunate one. The illegality of the boycott and its violation of our treaty rights, I need hardly explain. The United States does not claim that the individual Chinaman is bound under the treaty to trade with any of its citizens; it does not claim that a number of Chinamen may not agree to withhold their trade from the United States, but it does insist that associations shall not be permitted to be formed which shall use means of intimidation and threats to prevent Chinese merchants who wish to trade with the United States from continuing that trade. The evil of the boycott is that it attempts to deprive the United States of trade by intimidation and duress of these who would otherwise be willing traders with the United States. The citizens of the United States under the treaties between the United States and China have the right to insist that the police authorities of China shall suppress such intimidation and allow the trade, which was guaranteed to be unrestricted by the government, to continue unrestricted. I need not say to you, as I have said in the United States, that I think it greatly better that one hundred Chinamen during the year shall evade the law, though coolies, than that intelligent Chinese gentlemen, merchants and students, who wish to visit the United States, or to do business there, should be harassed in their attempt to enter the United States by measures subjecting them to discomfort, inconvenience, contumely and insult, and I do not hesitate to say that the influence of President's Roosevelt's administration will be thrown toward a protection of the rights of these classes. Of course the best place to determine what a man's status is, whether he is a coolie, merchant or a student, is at his own home, and the disposition and tendency of the President is to make the certificate of the American Consul in China the strongest and most conclusive evidence upon this subject unless fraud or forgery appear.

The attitude of the United States toward China in political or international matters,

I am sure need not reiterate. It is that of friendliness and sympathy and an earnest desire to aid China in her effort to become more strictly a nation and to aid her toward the development of her immense resources.

To this the senior Chinese member of the Legislative Council, Hon. Dr. Ho Kai responded that he and his colleagues concurred with Mr. Taft in his description of the evil tendencies of the boycott, but they did not in any way by that statement mean to express a lack of sympathy with the feeling on the part of Chinamen which had given rise to the boycott. They felt that the exclusion laws had been administered with much too great rigour and with greatly more severity than was consistent with the rights of the merchant and the student class, and they ventured to point out four respects in which they thought the treaty and the laws might very well be modified and secure from Chinamen generally an approval of the changes.

In the first place, they thought that the term "labourer" ought to be more clearly defined. To this Mr. Taft assented. He said that the rulings of the Bureau of Commerce and Labour, were not in his judgment always just, and that it was far better if possible, as he thought it was, to make a division which would leave no doubt either in the mind of the official enforcing the law, or of the Chinaman leaving his own country to apply for admission to the United States.

Hon. Dr. Ho Kai then resumed by saying that there was a custom among Chinese merchants, for the purpose of continuing the firm beyond their own lives, to take with them into the United States as a part of the personnel of their business, shop assistants, or persons who would correspond to clerks and salesmen in the business of a merchant of the United States, who were taken out with the idea of subsequently, after having experience enough, entering the firm and becoming partners. Such men, he said, were not coolies and did not belong to the labour class, although of course in the discharge of their duties there was some manual labour to perform, as that of showing goods, of putting them back on the shelves, etc. Mr. Taft said that he thought there was a clear distinction between a labourer and a clerk or salesman in a merchant's store, and that he personally saw no objection to an exclusion of such a class from the definition of labourer; that he would bring this matter to the attention of the President.

Second. Hon. Dr. Ho Kai said that he thought the certificate of the Consul ought to be final except in case of fraud or forgery. Mr. Taft said that personally he concurred in this view and that the proclamation of the President tended strongly in that direction; that of course the corruption which had heretofore existed had been an obstacle in the way of giving the certificate of the consuls the weight that ought really to attach to them, but in view of the steps already referred to, he thought that the tendency of Congress and the President would be toward giving much more weight than had heretofore attached to the certificate of the American consular officers in China.

Third. Hon. Dr. Ho Kai called attention to the fact that there were quite a number of merchants and students who were subjects of Great Britain, in Hongkong Colony and in the Straits Settlements; that there were others who were citizens of the Republic of France in Tonkin and Saigon, and that there were still others who were citizens of the kingdom of Holland in the Dutch East Indies; he said that these were gentlemen of wealth and education, who did not visit America because they would not accept the humiliation of being subjected to the necessity of producing a certificate, but he thought that all the security would be given to the United States that it ought to require by a passport describing their status as merchants or students and as subjects or citizens of their respective governments, vised by the proper American consul; that this would effect a very few persons; would be entirely safe, so far as the United States was concerned, because the United States might depend implicitly on the honesty of the government officials vised by the proper American consul; and yet the change by which they should be allowed to come in under a passport would be most gratifying to their feelings, and,

though a slight change, would accomplish a great change in their view of the law. Mr. Taft said that he hoped some such provision might be introduced into the law, which should remove their sense of humiliation and that he would be glad to bring this to the attention of the President and the State Department.

The Fourth suggestion made by the Hon. Dr. Ho Kai was that the law or the treaty should provide for an improvement in the detention sheds in which Chinamen destined for other countries were housed in the United States awaiting transshipment. Mr. Taft said that he had no knowledge of the details of this matter, but that he would also bring it to the attention of the President and he thought that every humane regulation would be put in force to prevent either humiliation or injury to the persons subjected to confinement under the circumstances.

AFFORESTATION AND DEFORESTATION AT HONGKONG.

The practical result of the agitation (against the "block" system of tree-felling) that was conducted in this paper, was presented in Report No. 36 of 1905 at the Legislative Council yesterday. It gives the history of the movement from the 14th September, when the Hon. Mr. R. Shewan asked two questions about it. The most interesting letter is perhaps the following one:—

Letter from Mr. C. Ford, late Superintendent, Botanical and Afforestation Department, to the Hon. Mr. F. H. May, C.M.G., Colonial Secretary:—

Beech Grove, Ripon,
26th October, 1904.

MY DEAR MAY,—I have seen the report of the statement made in Council on September 15th in regard to the Government policy for tree-felling.

Without full knowledge of what the plans are, it is not possible to make a fair judgment on the whole, but from such information as has reached me I gather broadly that it is supposed that pine trees arrive at maturity for felling at the age of 25 years and that their felling and re-planting are necessary in order to preserve the aborescent growth of the Colony. I can only imagine that the Government has accepted advice to that effect, and that the prospect of immediate revenue to be obtained from the fellings has had no influence in the Government's decision, but may not the prospect of revenue have had some influence in suggesting to the mind of the originator of the scheme the plan for turning trees to this account and have somewhat obscured his judgment in relation to the chief object, viz., the greatest and best return to be obtained from living trees, and that if so the Government has not obtained the best advice to which it was entitled!

In my opinion it will be many years hence before there will be necessity for beginning general felling and re-planting, and when that time does arrive it will probably be found that neither the system of "block" nor "selection" fellings are the best suited to Hongkong which will require modification of the methods of rotation felling of other places, as it required modification in the formation of plantations.

In Hongkong there are pine trees 60-70 years old in good health and condition—50 years seems the estimated age of pine trees as given to the Government as I see from the newspapers. Even if trees actually died at 50 years, general fellings need not be made when they are only 5 years old. There are other things, which operate in the renewal of plantations besides felling and planting, which should be taken into consideration. A little reflection shows that, if trees are to be felled at 25 years, there would never be any trees which had arrived at half their natural full stature and age; and those which are the largest at 27 years would most likely be those first doomed to the axe under the projected system, whereas such trees are the most vigorous as the result of growing in the most suitable environments and consequently would be the longest lived and would attain the greatest dimensions. These at least should be spared until they are upwards of 50 years old. It is time enough to renew plantations when the trees have reached their largest

size, and in the case of Hongkong trees, which are only good for firewood and not timber, when they show signs of degeneracy, and not as a rule under 50 years old. Until then ordinary thinning of plantations, such as has been carried out hitherto, is all that is necessary, except in some rare cases.

In regard to pecuniary questions it should be considered that one tree of 50 years old should be worth more than two at 25 years. But the difference would be lost if the trees were felled at 25 years, and besides this loss there would be on the debit side the cost of re-planting at that time in addition to the original cost of planting, so that there would be the cost of two plantings, instead of one, in 50 years, and thus the cost of production would be nearly doubled, by which the Government would be so much the loser.

I have experienced the greatest reluctance in dealing with this subject, but after a considerable interval for reflection I still feel a serious responsibility would rest upon me if, for any reason, I neglected to communicate the results of my experience at a time when grave results might ensue from a mistake which might follow the best intentions, not the least reason of which is the criticism of the plan of my successor, for whom I have much regard; and the best way of demonstrating it is to indicate the rock ahead which might be calamitous to all concerned.—Believe me, etc.,

CHARLES FORD.

The contents were communicated to Mr. S. T. Dunn, the Superintendent of the B. and A. Dept., who replied:—Mr. Ford advocates a 50-year in preference to a 25-year rotation. He says it would make the Island more beautiful and that it would be more lucrative. He says the chief object is the greatest and best returns to be obtained from living trees.

In the first plea Mr. Ford is right from the point of view of wild beauty. It is, however, useless to look forward to regular plantations of large pines because only here and there is the ground good enough to produce them. In the great majority of localities the pines show a very small increase and often failure after a period varying from 10 to 30 years, the particular term being probably decided by the roots coming in contact with the solid rock.

The question of health-giving and water-conserving properties is not affected by length of rotation.

A short rotation is better where risks of fires, etc., exist.

The short rotation is more profitable. It is true that a 50 year tree is worth more than double a 25 year tree, but it takes up the room of at least 4 of them.

For purposes of economic management it is beneficial to select a rotation that shall serve for as large a proportion of trees as possible. A 50 year rotation would only be possible on a small proportion of the Island.

It would probably be better to grow more valuable trees if a long rotation is decided upon.

On the whole, I recommend the cultivation of the pine on a 25 year rotation leaving belts along the roads.

S. T. DUNN.

His Excellency the Governor, in view of the divergent advice, decided to ask advice from the Inspector General of Forests in India, and in the meantime ordered the wholesale tree felling to be suspended. Mr. Dunn prepared a report for submission to the Indian expert, in which it was stated that "the average tree appears to show a marked decrease of growth at about 25 years." It closed with these two paragraphs:—

"Local objects of Afforestation as affecting Rotation.—The object which the original proposers of afforestation in Hongkong had in view was undoubtedly the covering of the bare hills of the Island with verdure, at the same time eventual profit was put forward as a justification of the expenditure. Two other advantages are also spoken of: (1) water-conserving, and (2) health-giving properties. Although the area planted is small there can be no doubt that the rainfall must be slightly affected by it and the planted ground does undoubtedly retain the rainfall far longer than bare ground. As, however, Hongkong depends mainly for its water-supply on the rapid filling of its reservoirs during the torrential rains of the summer months, and only in a minor degree on continuous mountain streams, this factor is not im-

portant and in any case would hardly affect rotation. Salubrity also is probably as well served on one rotation as another.

In the choice of a rotation then the predominating considerations before the Government would be artistic beauty and financial profit, and the two can perhaps be best combined on a rotation of 25-30 years. There can be no question that the older the trees grow the more picturesque they become: that this is recognized by the residents of Hongkong, as well as by the last Superintendent of this Department, Mr. Ford, is fully shown by their letters and writings in the local press. Considering, however, (1) that the 25-30 year-old tree is a good tree, 25-30 feet high; (2) that growth rapidly falls off after this age; and (3) that the high rate of interest on money in Hongkong and the various risks affecting the plantations, point to a low rotation, the Government is perhaps hardly justified in incurring the loss entailed by a longer one."

The expense was carefully pointed out, and the rate of interest at Hongkong given as six per cent, with the result that the expert declared that in the case of trees grown for fuel, they would grow so little between this thirtieth and fiftieth year that their retention could not be justified "at the high rate of interest in force."

Three paragraphs of the reply ran as follows:—

"3. I should say that the period of the average felling rotation might well be fixed at 30 years, with another 5 years allowed in exceptional conditions after investigations made on the spot (by means of a borer) to prove that there is no falling off in the annual increment. The felling of the trees at 30 to 35 years would not affect the beauty of the sylvan scenery. They would to the ordinary observer be as large then as they would be 20 years later though possibly more free from the picturesque contortions of disease and age.

4. But the extremely low height-growth and vitality shown in the above statistics points to the absence of suitable nutriment and protection of the soil. Fires are common and there is little humus; that under the trees is collected by natives who derive their living from unauthorized removals. If protection were adequate the height and girth growth would rapidly increase. I consider that for \$1 it should be easy to protect 10 acres of plantation from fire and that it would be cheaper to provide for the poor Chinese in cash than in kind, when that kind consists of the life nutriment of the forest.

5. I see Hongkong is about 22 deg. North latitude, with an average mean temperature of 71.5 deg. and a mean rainfall of 8.69 ft. distributed over every month of the year, but in no month excessive. I would be glad to supply seed of *Pinus longifolia* and *Pinus Khasya* for trial if these have not been before attempted. It is a question for consideration whether the fellings of the existing crop should not be carried out by selection of the mature stems, the blanks caused by removal being sown or planted up so to avoid the occurrence of blank, unsightly areas which must result from clear fellings. If sowings were resorted to a much denser crop than 1,000 to the acre could be assured at a cheaper rate and to the better protection of the soil. Perhaps there are local reasons forbidding this, but in any case the forest to be beautiful and valuable must be protected from fire and not robbed of nature's nutriment."

The correspondence was laid before the Executive Council by command of His Excellency the Governor, and at a Meeting held on the 24th July, 1905, it was recommended that a thirty-five years' rotation should be adopted, subject to special permission being given for felling young trees on proof of falling off in annual increment, and that "selection" felling should be substituted for "block" felling except in the areas in the neighbourhood of Tytam and Stanley known as Forest Districts 4 and 5.

A further representation was made to the Government by the Superintendent, Botanical and Afforestation Department, in the following letter dated the 10th August, 1905.

SIR,—I have the honour to state that upon attempting to prepare a working plan for future Forestry operations, I find it to be impracticable to do so upon the system authorized by Council on 24th July, 1905.

The Executive Council convened on that date decided that selection felling should be adopted throughout Hongkong except in Forest Districts 4 and 5. The system applied to a 35-year rotation—that authorized on the same occasion—means that the annual number of fellings (about 1,000 trees next year) will take place over a large area, the trees being selected here and there, one in thirty-five, out of the whole crop. In the ensuing planting season on the gaps caused by the fall of these single trees would have to be found and planted with 3-6 saplings each, according to the size of the gap. These would have to be found again if watering were required, which it usually is several times before the rains commence. The amount of labour required for these operations would alone render the cost of them prohibitive. But a more serious difficulty would be encountered. The second and all subsequent selection fellings would be made in immediate proximity to rising saplings, many of which must of necessity be damaged by the fall of the adult trees. These difficulties do not arise in places where natural regeneration takes place for the ground is at all times kept stocked with saplings by nature and the destruction of a few matters little; as nature moreover fills the gap caused by felling, no extra expense is caused by their diffuseness. Selection felling in that case may be very desirable, but under our local conditions, no natural regeneration taking place, some modification will be necessary.

I would propose for the consideration of the Government the adoption of the "Shelterwood Strip System." In this method of felling and re-planting, narrow strips of wood are felled, the remainder being left standing to protect the saplings which are subsequently planted in the clearings. No very conspicuous gaps are made, the planting areas are easy to find, and the adult trees next the saplings can be felled away from them.

If all trees were felled at exactly 35 years old in Hongkong the plantations would be felled as they were planted, in blocks. If the selection or shelter-wood systems are adopted it is not possible to cut all trees at the right age, but mature blocks should be felled within as short a period of years as is possible without making conspicuous gaps. By cutting and re-planting judiciously, homogeneous blocks can be stratified so as to yield regular crops of adult trees.

Only 1/4 of the ground (in two narrow strips) is ever bare at the same time, i.e., 4 times 35 years; the departure from the normal rotation of 35 years is never more than 5 years and after three cycles is reduced to nothing; that is to say in the first and second cycles some trees are cut 5 years too young, some 4 years too old; in the third cycle all are cut at the best age.—I have, &c.,

S. T. DUNN.

The matter was again considered in Executive Council on the 24th August, 1905, and a resolution was passed to the effect that in view of the difficulty and expense of re-planting under the selection felling system, the "Shelterwood Strip System" of felling and re-planting should be adopted except in Forest Districts 4 and 5, where "block" felling should be continued.

CHINESE STUDENTS AND THEIR EMPEROR.

An edict of the Chinese Emperor, translated by the *N.-C. Daily News*, runs:—Some time ago we ordered the selection of a number of young men of ability from the various provinces to send them abroad to study, and we find that the Viceroy and Governors concerned have obeyed our commands. Now, the students who are abroad must bear in mind that they should study with profit to themselves and their country, so that when they return they may be of use to the Government. They should not shirk the studies that are hard to attain in favour of the simple ones, and so make useless officials of themselves, of benefit to no one. Each student should take up the studies for which there is a bent in his mind, and thus turn out men of substantial use, and when they return to China show by examination what they are capable of. Men who prove their knowledge and ability at these examinations will be granted the highest literary degrees so as to fit them to take up

places of responsibility. Now there are already in Japan a very large number of students, and we therefore hereby command that a large number shall also be sent to study in Europe and America, and to those who are willing to cross the wide oceans in order to gain substantial knowledge to be of use to their country when they return home, we shall certainly show our deepest pleasure and commendation. Our Ministers abroad all have a duty to look over the interests and studies of the students sojourning in the countries to which these Ministers are accredited, and they should treat the students like their own children and relatives. The Ministers must every now and then examine these students as to their studies, and keep a good care over them irrespective whether they be Government students or private, so long as such are well-behaved and close students. Should any of these be in want of money to prosecute their studies, or any be ill, our Ministers are expected to give what pecuniary or other aid the cases may demand. In the case of students behaving improperly, they are to be kept under strict control so that all who may go abroad to study may return to give their best talents to their country. Let not our officials look slightly on these students, but assist the throne in every way to obtain men of ability and use for the betterment of the Empire.

CHINA AND THE CHINESE EASTERN RAILWAY.

A telegram to the *N.-C. Daily News*, dated Peking, 2nd September, says:—

At a secret conference of the Waiwupn it has been resolved that if Russia should demand compensation from China for the return to China of the Chinese Eastern Railway, which has been heretofore the joint enterprise of Russia and China, China should refuse to accede to the demand, but Russia, who has allowed Japan to occupy the railway should, on the other hand, compensate China. Otherwise, Russia should transfer all her railway concessions in China to Japan, with whom China would jointly complete the works.

The German Minister is said to have advised Prince Ching that, as China has shares in the Chinese Eastern Railway to the extent of Tls. 5,000,000, which Japan has now compelled Russia to give up China, would do well to communicate with Japan as to the measures regarding the railway to be taken by the latter. The Prince has now stated the result of his interview with the German Minister in a memorial to the Throne, and is still conferring with the Waiwupn Ministers and the Grand Council.

THE CHINESE AS MORPHOMANIACS.

The *Cablenews* of Sept. 9th reports:—Chun Sun, one of the thirteen Chinese arrested for practising medicine without a license, was found guilty by Judge Crossfield yesterday and sentenced to pay a fine of 50 pesos. Sun was unable to pay and will have to work out his fine in Bilibid prison, at the rate of 50 cents per diem.

The offence of which Chun was convicted was that of administering hypodermic injections of morphine as a cure of that habit. A photograph of one of the victims of the gang of quacks, introduced in evidence, presented a most horrible sight, the entire body being covered with a mass of suppuration, caused by the sores resulting from the pricks of the syringes.

The detective bureau is determined to stamp out the nefarious practice and more arrests will follow as soon as the evidence can be secured.

At his sales rooms in Duddell Street, Mr. G. P. Lammert on Sept. 12 put up for public auction sale the Italian steamer *Dominico*, together with her engines, boilers, anchors, chains, gear, etc. (excepting coal, stores and provisions) as she now lies off Ni-wok Island. The bidding, which opened at \$200, was spirited, and the wreck was eventually knocked down to Mr. Kit Kee for \$1,950. This is a good price considering the vessel is lying in a part known to be infested by pirates, and at low water only a small portion is visible.

COMPANY REPORTS.

THE DOUGLAS STEAMSHIP COMPANY, LIMITED.

The report for presentation to the shareholders at the twenty-second ordinary general meeting, to be held at the offices of the company, on Saturday, the 23rd day of September, 1905, at noon, reads as follows: The general managers have now to submit to the shareholders their report on the twenty-second year's working of the company, ended 30th June, 1905.

After paying all running expenses, premia of insurance, remuneration of consulting committee, auditors' fees, the amount at credit of profit and loss account—including \$126,060, difference in amount realized by the sale of *Thales* and *Hailoong*, and their book values—is \$196,100.55, and with the consent of Shareholders, it is proposed to appropriate this as follows:—

"To pay a dividend on the capital of the company, of 7 per cent, which will absorb \$70,000, to write off \$46,461.76 from the value of the company's properties on June 30th last, being the equivalent of 8 per cent thereon, and to transfer \$79,638.70 to the credit of the reserve fund."

During the year, the steamers *Thales* and *Hailoong* have been sold, at what must be considered satisfactory prices, considering their age, and that they were too small to prove remunerative in our trade.

During the period under review, cargo on the coast has been fairly plentiful, but with the keen competition still existing, rates are not high enough to show large profits.

We are pleased to report that the company continues to command the confidence of shippers, and a full proportion of the trade to and from the ports to which its steamers run.

The *Emma Layken* was chartered to meet requirements during some of the busiest months of the year.

Advantage was taken of the demand for money at the Chinese New Year to invest the available funds of the company in first class mortgages, at good rates of interest. The valuations of the company's surveyors show that the properties held by the company form ample security for the advances made.

The steamers of the Company are in first class order, the *Haitan* having undergone an extensive overhaul in her engine room.

The amount appearing as freight due and accounts receivable on 30th June have since been collected.

CONSULTING COMMITTEE.

Since last general meeting, Mr. W. J. Gresson resigned his seat on the board and the Hon. Mr. C. W. Dickson was invited to fill the vacancy. The committee now consists of the Hon. Mr. C. W. Dickson, the Hon. Mr. R. Shewan, Mr. C. H. Thompson and Mr. A. G. Wood, who retire in terms of the articles of association, but being eligible, offer themselves for re-election.

AUDITORS.

The present accounts have been audited by Messrs. W. H. Potts and J. E. Bingham (the latter acting in the absence of Mr. A. R. Lowe). Messrs. Potts and Lowe retire, but offer themselves for re-election.

DOUGLAS LAPRAIK & Co.,
General Managers.

The accounts are as follows:—

BALANCE-SHEET.

For the year ended 30th June, 1905.

LIABILITIES.		\$	c.
Capital account:—20,000 shares at \$50...	1,000,000.00		
Reserve fund	185,000.00		
Underwriting account of the company ..	88,941.50		
Sundry accounts payable	83,097.19		
Unpaid dividends	416.00		
Unpaid bonus	188.00		
Profit and loss account	196,100.55		
	\$1,503,683.54		

ASSETS.

	\$	c.
Value of the Co.'s steamers:— — <i>Haitan</i> , <i>Haiting</i> , <i>Haimun</i> , <i>Hailoong</i> , and <i>Thales</i> , as per last report	875,000.00	
Less book value of s.s. <i>Thales</i> now sold	45,000.00	

Less book value of s.s. <i>Hailoong</i> now sold	105,000.00	150,000.00	725,000.00
Value of buoys and moorings at Swatow, Amoy, Tamsui & Hongkong steam launch and wharf at Hongkong, as per last report	42,434.67		
Less amount written off as resolved at last general meeting	1,662.02		
Loans on mortgage		40,772.05	
Hongkong and Shanghai Banking Corporation		536,000.00	
Freights due on 30th June, 1905		4,981.20	
Sundry accounts, receivable from agencies, &c.		91,618.90	
Coal account, stock in hand		52,924.81	
Hongkong and Shanghai Banking Corporation (fixed deposit)		2,356.40	
		50,000.00	
		\$1,503,683.54	

PROFIT AND LOSS ACCOUNT.

For the year ended 30th June, 1905.

To dividend paid for year ended 30th June, 1904	\$	c.
To amount written off for depreciation for year ended 30th June, 1904	1,662.02	
To exchange account	183.05	
To auditors' fees	600.00	
To remuneration to consulting committee for 12 months	2,000.00	
To remuneration to general managers for office expenses, for 12 months	10,000.00	
To balance	196,100.55	
	\$250,546.22	

By balance of profit and loss account, 30th June, 1904	\$	c.
By general interest account	41,662.62	
By interest on mortgages account	3,146.30	
By coal account	28,275.41	
By difference between book value of s.s. <i>Thales</i> and the amount realised on her sale	1,061.38	
By difference between book value of s.s. <i>Hailoong</i> and the amount realised on her sale	44,450.16	
By profit on running the company's steamers during the year	81,609.84	
	50,340.51	
	\$250,546.22	

THE UNION INSURANCE SOCIETY OF CANTON, LIMITED.

The report for presentation to the shareholders at the thirty-second ordinary meeting to be held at the society's offices at noon on Thursday, the 19th October, 1905, reads as follows:—

The directors have now to submit to the shareholders a report of the business of the society for the year 1904, and for the six months ending the 30th June, 1905. 1904.—The net premium collected for the year, after deducting returns and re-insurances, amounts to \$4,582,377.20. After providing for a bonus of 20 per cent on contributions paid in May last, there remains at credit of working account a balance of \$1,485,921.82, as per annexed statement.

The directors recommend that this sum be appropriated as follows:—

A dividend to shareholders of \$40 per share	\$400,000.00
An addition to the silver reserve fund of	150,000.00
An addition to the sterling reserve fund of £20,000 at exchange 1s. 10½d.	213,333.33
Carried forward to underwriting suspense account to close the account for the year 1904, ...	722,588.49
	1,485,921.82

1905.—The balance to the credit of this year's account amounted on the 30th June, 1905, to \$2,339,112.23, as per annexed statement.

DIRECTORS

Since the last general meeting Mr. E. S. Wheeler has resigned his seat on leaving the Colony, and Mr. G. H. Medhurst, of Messrs. Dodwell & Co., Ltd., has joined the board.

In accordance with clause 86 of the articles of association Mr. N. A. Siebs and Mr. A. G. Wood retire, but offer themselves for re-election.

AUDITORS.

In the absence of Mr. A. R. Lowe, the board appointed Mr. J. E. Bingham to audit

the present accounts in his place. Messrs. W. Hutton Potts and A. R. Lowe retire, but offer themselves for re-election.

H. W. SLADE,
Chairman.

Hongkong, 15th September, 1905.

The accounts are as follows:—

WORKING ACCOUNT, 1904.

On 30th June, 1905.

Dr.

To working account, balance on 30th June, 1904, brought forward (sterling portion converted at 1s. 10½d.)	\$2,078,997.41
Less difference in exchange (due to conversion of sterling portion of above at 1s. 10½d.)	39,522.11
	2,039,475.30
To net premium from 1st July to 31st Decemb. r, 1904	1,694,490.63
To interest	221,221.72
To exchange	3,350.12
	\$3,958,537.77

Cr.

By agency commissions	\$	65,510.34
By head office, branches and agency charges	216,579.08	
By remuneration for half-year ending 31st December, 1904, to directors, committee and auditors	14,629.05	
By losses and claims paid	1,892,412.18	
By bonus on contribution account 1904, (declared 14th April, 1905)	293,484.40	
By balance	1,485,921.82	
	\$3,958,537.77	

WORKING ACCOUNT, 1905.

On 30th June, 1905.

Dr.

To net premium from 1st January to 30th June, 1905	\$3,925,537.04
To interest	127,576.80
To exchange	4,957.43
	\$3,225,071.27

Cr.

By agency commissions	59,881.73
By head office, branches and agency charges	207,020.80
By remuneration for half-year ending 30th June, 1905, to directors, committee and auditors	15,459.08
By losses and claims paid	603,588.31
By balance	2,339,112.24
	\$3,225,071.27

BALANCE SHEET.

On the 30th June, 1905.

Dr.

To capital 10,000 shares of \$250 each = \$2,500,000 upon which \$100 per share called and paid up	\$1,000,000.00
To reserve fund,— Silver	\$1,850,000.00
Sterling	213,333.33
	2,063,333.33
To unclaimed bonus and dividend	35,188.77
To exchange fluctuation account	305,007.61
To investment fluctuation account	26,445.80
To working account, 1904, balance	1,485,921.82
To working account, 1905, balance	2,339,112.23
To reinsurance fund	\$97,863 8 9 1,043,930.00
To underwriting suspense account	\$40,289 16 8 429,758.22
To sundry creditors	308,355.87
To bills payable	6,168.53
	\$9,018,238.18

Cr.

By cash on current account with the Hongkong and Shanghai Banking Corporation	\$	198,026.40
By cash on deposit with banks in Hongkong, Shanghai and Singapore	610,482.78	
By cash invested in mortgages, debentures and other securities in Hongkong, Shanghai and Singapore	2,516,697.80	
By amount invested in London, viz.:— Deposited in banks ... £ 14,000 0 0 Invested in sterling securities	262,933 18 5	
Invested in rupee paper	8,450 0 0	
Invested in sterling mortgage at H'kong	20,000 0 0	
(market value at date)	\$385,883 18 5	4,110,761.83

By amount invested in Melbourne, viz.:—
deposited in banks ... £ 2,000 0 0
Invested in sterling securities

(market value at date) £19,128 6 0 193,868.57

By amount invested in Yokohama, viz.:—
Deposit in banks ... yen 80,000.00
Japanese securities held to conform with insurance law passed in 1903

yen 180,000.00 202,83,555

By amount at debit of branches and agencies 808,191.48
By sundry debtors 95,858.82

\$9,013,223.18

CORRESPONDENCE.

THE BANISHED EDITOR.

TO THE EDITOR OF THE "DAILY PRESS."
Hongkong, 7th September.

SIR,—The banishment of two of your colleagues of a vernacular journal for the trifle of satirizing a prevalent topic, do you think Mr. Editor, was to strain at a gnat and swallow a camel? The "corpus delicti" appeared to be a sheer cartoon published in their paper depicting a handsome Chinese lady riding in a palanquin borne by four tortoises. The idea that the handsome lady was intended for Miss Roosevelt was exaggerated, not to say absurd, still, if this was so, "Princess Alice" would only be too glad to admit the caricature as a compliment. As regards the chelonian chair-coolies, a peep at a Chinese lexicon will convince you that tortoise is defined elsewhere as a divine creature. Its any other meaning is apocryphal and only deserves the answer:—"Honi soit qui mal y pense." Those who like to see fair play, are apt to rule that it was stretching the point rather too far to hold the mentioned editors responsible for offence in such a case.—Yours respectfully,
A Reader.

THE FLOWER SHOW.

[TO THE EDITOR OF THE "DAILY PRESS."]

SIR,—In case the promoters of the Flower Show welcome your suggestion in to-day's leading article, and care to accept voluntary prizes, I offer (through you) a prize equalling in value a first prize offered by the Department, for the best window-box or verandah box of flowers grown and tended by any resident's son or daughter not exceeding 15 years of age.

I leave it to the Flower Show managers to settle any other necessary conditions; but would suggest that the quality or appearance of the box itself be not considered; but only its contents. It should, however, be suitable in size and shape for a permanent position on window or verandah.

Yours appreciatively,
"OLD ADAM."

THE SCANDINAVIAN CRISIS.

TO THE EDITOR OF THE "DAILY PRESS."

SIR,—From cables received it appears that Norway may not be unwilling to give in on the question of the frontier fortifications if Sweden agrees to similar measures as far as the defence of her border is concerned.

As this information will convey little meaning to your average reader, permit me, sir, to explain the situation.

Trusting in the fairness and good-will of the Swedish nation and relying upon that no attempts would be made upon the liberty embodied in our Constitutional Law of 17th May, 1814, Norway had from the very start of the Union abstained from fortifying her border to Sweden.

However, in 1895 the Swedes concentrated large masses of soldiers on the Norwegian frontier,—the Stockholm papers openly speaking of, and agitating for, a so-called "military promenade" to Christiania in order to let their guns speak "Swedish to the Norwegians."

Happily the storm, which at that time would have been most dangerous to defenceless Norway, swept past, but the threats of Swedish occupation of Norwegian territory had at last the effect of opening the eyes of the friends of the Union (of whom I was one) to the dangers which threatened our liberty from the hands of our "brothers," the Swedes, and large sums were expended in order to safeguard us in case the attempts threatening our independence should be repeated.

It will thus be seen, that the fortifications which Sweden now demands demolished (she undertaking not to build any forts on her side of the border), sprung up in consequence of, and for no other reason than, the faithlessness and arrogance of the Swedes, who knowing our

weak point in 1895 condescended to bully her smaller companion, who had trusted her.

Neither cool reflection nor far-sighted statesman-like stratagem, but inflated over-estimation of her power (Sweden always forgets that she has fallen from the position of a first-class to that of a sixth-class power) and a Machiavelian desire of humiliating Norway dictates Sweden's demand, and the wisdom of the Swedish politicians whose broken promises and haughty demands caused the breakdown of the Union may fitly be compared to that to which the greatest of her statesmen, Axel Oxenstjerna, referred when he said:—"My son, thou dost not know with how little wisdom the world is ruled."

Should Norway ultimately agree to the Swedish terms, she would gain the esteem of all uninterested onlookers, her store of sympathy abroad would be augmented, and she would gain in internal unity and strength; while Sweden would make us, who wish to be her friends, her enemies for many years to come. He is strongest who does not bring on a war by presuming upon his undeniable right, and who for the sake of an imaginative or real grievance does not lay his country in ruins. Though I and many of my countrymen would regret that our Government, at the urgent recommendation of the Great Powers who are now mediating, should yield to pressure brought to bear upon us, no thoughtful Norwegian would lose his confidence in the Michelsen-Lovland Ministry who brought us that which we all yearned for:—a united Norway, a Norway with one soul and one heart. Yours faithfully,
BJARNE AAGAARD.

SPORT.

HONGKONG CRICKET LEAGUE.

The annual report of the Hongkong Cricket League reads as under:—The number of Clubs entered for the competition was ten, as compared with eight in the previous season. The Clubs entered were as follows:—Craigengower, Kowloon, Army Ordnance Corps, Hongkong Cricket Club "A," Royal Engineers, Hongkong Police, R. G. A. 83rd Company, Civil Service, Royal Army Medical Corps, and the Parsees. Owing to the larger number of clubs entered and the increased interest taken in cricket since the formation of the League, the competition proved even keener than in the previous season. Unfortunately the Parsees found themselves compelled to withdraw from the competition owing to their inability to raise an eleven for all their matches. Craigengower was successful in securing the Shield with 38 points for 18 matches played, of which 12 were won, 2 drawn and 4 lost. The cup presented by Mr. G. Hoggarth for the highest batting average was won by P. C. Edwards of the Hongkong Police Recreation Club, his average for 14 matches being 28.14. The match arranged to take place between the Hongkong Cricket Club and the League had, reluctantly, to be abandoned, owing to the softness of the ground caused by the heavy rains immediately preceding the day fixed for the match. The accounts show a credit balance of \$11.67. At an "At Home" held on the Ground of the winning team on 6th May last, the President, the Hon. Mr. T. Sercombe Smith, kindly presided at the presentation of the shield and medals to the captain and members of the successful XI, and at the same time handed over Mr. Hoggarth's cup to the winner.

STATEMENT OF ACCOUNTS.

Expenditure.		\$	c.
To Eleven Gold Medals		70.00	
To engraving shield (2 seasons)		3.50	
To printing rules, annual report, stationery and stamps		23.50	
To balance		11.67	
		\$108.67	

Receipts.		\$	c.
By balance from last account		6.54	
By entrance fees, 10 clubs at \$10.00		100.00	
By interest		2.13	
		\$108.67	

By balance 11.67

The league table for last year was:—

	Pl.	W.	L.	D.	Pt.
Craigengower	18	12	4	2	38
Kowloon	18	12	6	0	36
Army Ordnance Corps	18	11	5	2	35
Hongkong Cricket Club "A"	17	10	8	4	34
Royal engineers	17	8	5	4	28
Hongkong police	17	7	5	5	26
R. G. A. 83rd Co.	16	6	8	2	20
Civil Service	18	5	10	3	18
Royal Army Medical Corps.	15	4	11	0	12
Parsees	withdrawn				

3 points—a win.
1 point—a draw.

MISCELLANEOUS.

The Japanese have been making extensive purchases of horse-flesh for stud purposes.

Tenders have been invited for the building of a new Episcopalian Cathedral at Manila.

A "Seoul Gas Company" is said to have just been organized with a capital of 1,200,000 yen.

The Empress Dowager intends placing £150,000 in a certain bank, the interest on which is to be used for the benefit of the Peking work-houses.

The "Chinese and Japanese Exclusion Society" of San Francisco proposed a vote of censure on Mr. Taft, Secretary of War, for his pro-Chinese speeches.

Vessels in the Philippines coasting trade have had their licence fees reduced by from 25 to 33 1/3 per cent., representing an annual saving of seventy thousand pesos for the owners.

A Shanghai pamphlet entitled "The Hangchow Bore, and how to get to it," is again being sent round for press notices. "The Shanghai Bore, and how to get away from it" seems the more important question.

A passenger, we learn, arrived here recently from Manila for the purpose of going to Iloilo, the reason being that strict quarantine is enforced at present by Iloilo against Manila where cholera is said to be prevalent.

At the half-yearly ordinary general meeting of the Yokohama Specie Bank held at the Head Office, Yokohama, on the 9th instant, a dividend at the rate of 12 per cent was declared, Yen 220,000 added to the Reserve Fund, and Yen 600,000 carried forward to next account.

Mr. Arnold Birnbaum, of Behn, Meyer and Company, Singapore, met his death on September 2nd by diving into a too shallow depth of water. He was the only son of Brigadier-General Birnbaum, who on the sad day, would be assisting in the celebration of the anniversary of Sedan.

The U. S. naval collier *Nanshan* found the wreck of the *West York* and the captain and crew on an uncharted island in 11.6 N. Lat., 114 59.30 W. Long. The captain of the *Nanshan* annexed the island to the Philippines and named it West York Island, bringing the unwilling discoverers to Manila.

About twenty minutes past one o'clock on the 9th September a slight earthquake was experienced on the island, but it was so trifling as to pass undetected by many, though inquiries show that the shock was more pronounced in the higher regions. So far, no damage has been reported, while the extent of the disturbance is not yet known.

The Chinese Government has appointed Consuls at the ports of Mokpo, Fusan, Kusan and Chinnampo in Corea. The Chinese Minister, at Seoul, in communicating the names of the Consuls to the Korean Foreign Office, asks that the Prefects of the ports named should be instructed to settle with the Consuls all questions arising between the natives and Chinese.

Returns made by the Japan Cotton Spinners' Association show the total consumption of raw cotton among the spinning mills of the Empire during the first half of this year to have been 25,191,345 kwamme, or about 27,711,563 pounds. This is an increase of some 37 per cent, compared with figures for the corresponding period of last year and of about 8.7 per cent, for those of the first half of 1904. Of the total consumed for the past half-year, 50 per cent. was Indian cotton, 34 per cent. Chinese cotton, 11 per cent. American cotton, 3 per cent. Egyptian cotton, and other qualities 2 per cent. The consumption of American cotton showed a remarkable increase, being more than double the figures for last year.

COMMERCIAL.

The Yokohama Prices Current and Market Report, published by the Yokohama Foreign Board of Trade, dated Yokohama, August 30th, 1905, has the following:—

IMPORTS.

Yarns.—No sales or contracts reported. **Shirtings.**—A few good contracts have been done both in Whites and Greys for arrival next year, but the trade is by no means general, and some buyers are awaiting developments. The political outlook, the pending rice crop, and condition of markets, both here and in Europe, all induce great caution at the present time. **Fancy Cottons and Woollens.**—There is no disposition to buy in view of the uncertainty in regard to the Peace Conference and the rice crop. **Metals.**—The market is inactive. **Kerosene.**—The market is dull and unsettled. **Sugar.**—The market has ruled weaker with a decline in prices, and no improvement in the immediate future is looked for. At the auction of the Tokyo Refinery, on the 26th inst., there were 4,300 bags sold at a decline of 19 to 39 sen per picul. **Indigo.**—No change to note. **Market steady.**

EXPORTS.

Raw Silk.—Although daily transactions have been comparatively small, our market has advanced steadily, and an advance of Yen 40 to Yen 50 has to be recorded for all full sized Silks, whilst fine sizes have only advanced about Yen 20 to Yen 25. The continued bad weather has undoubtedly damaged the crop very much, and the general opinion is at the present moment that only about 75,000 bales will be available for export during the current season. At the close our market continues active, and quotations must be considered more or less nominal.

Waste silk and Cocoons.—Market unchanged since last report. **Settlements** 120 piculs, viz: Noshi, 1 picul; Kibiso, 120 piculs; Sundries—piculs; pierced cocoons, 1 picul. **Present stock** is estimated at 10,800 piculs, viz:—Noshi 5,000 piculs; Kibiso, 4,700 piculs; Sundries, 500 piculs; Pierced Cocoons, 100 piculs.

Tea.—Since our last report, settlements have been extremely light, and very little interest is shown in any grade. **Stocks** are coming down in small quantities only, and it looks as if they were about exhausted. In spite of the almost nominal demand, such parcels as are shown are very firmly held, and the market may be said to be from Yen 1.60 to 2.60 per picul higher. **Total settlements** from May 1st to August 29th amount to 104,000 piculs, against 164,000 piculs at the corresponding date last year.

TEA.

Messrs. Welch, Lewis & Co.'s circular, dated Shanghai, 4th September, 1905, states:—Black Tea.—The small transactions on this market call for no comment. The actual stock in Shanghai is said to be about 9,000 half-chests. **Settlements** since the 21st ult.:—Ningchow 3,284 half-chests at Tls. 14½-28½ per picul. **Green Teas.**—Pingsueys.—There is very little change to report in this market. A moderate business has been done at about previous prices and **Teamen** are firm, especially for teas with fairly pure infusions. **Country Teas.**—The eagerness to secure "choice" chops of Moyune and Tienkai continues unabated, and the difficulty with the **Teamen** at present is not so much a question of price, but of how to avoid offending some of the buyers who are clamoring for the pick of the crop, prices for this quality have advanced Tls. 2-3 per picul during the interval. **Medium quality teas** are in demand and prices are steady, lower qualities are also wanted at previous rates. **Local Packs and Wenchows.**—Late arrivals are poor quality, but **Teamen** are strong holders, owing to the expected shortage of 22,000 half-chests. **Hysons.**—During the interval a strong demand sprang up for "good" quality Teas and prices advanced Tls. 3-4 per picul. **Medium teas** remain unchanged with only a small business passing, common quality has declined Tls. 1-2 per picul. **Foong Mees.**—Only a small business has been done at previous rates. **Son Mees** continue in good demand, prices are strong, and some settlements show an advance. **Total settlements** since 21st ult.:—24,945 half-chests. **Total settlements** since opening of market to date:—128,495 half-chests, against 171,801 half-chests last year; stock, 38,781 half-chests, against 64,227 half-chests last year. **Settlements of Hyson and Young Hyson** since opening of the market to date:—Arrivals 104,694 half-chests, Settlements 83,658 half-chests, Stock 21,036 half-chests.

HANKOW, 6th September.—Business reported since the 30th ulto., is as under:—

	1905.	1904.
Settlements	4,495	nil.
S'ments to S'hai (Nat. a/c)	1,028	1,375

Consisting of the following Teas:—

	1905.	1904.
Ninghows	114 at Tls. 19.00 per picul.	
Oopacks	515 at Tls. 11.00	12.00
Oonams	413 at Tls. 13.00	14.00
Oonfaas	995 at Tls. 12.75	15.00
Seang-tams	479 at Tls. 10.90	11.00
Ichangs	979 at Tls. 23.25	" "

The following are statistics at date compared with the corresponding circular of last season, viz., 7th September, 1904:—

	1905.	1904.
HANKOW TEA.	4-Chests	4-Chests.
Settlements	435,191	579,351
S'ments to S'hai (Nat. a/c)	11,323	9,835
Stock	38,217	13,066

Arrivals	479,731	602,252
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	1905.	1904.
KIUKIANG TEA.	4-Chests.	4-Chests.
Settlements	177,560	195,402
S'ments to S'hai (Nat. a/c)	3,401	14,059
Stock	6,895	4,114

Arrivals	187,659	213,575
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SILK.

Messrs. A. R. Burkill & Sons' Silk Circular, dated:—Shanghai 31st August, 1905, states:—The Home Markets are firm. (Gold Kiling is quoted in London at 12-1½, and in Lyons at 10-3½. **Raw Silk.**—Through the week last week have been booked in small lots at unchanged rates. **Yellow Silk.**—Settlement since our last circular amount to about 800 bales, buyers confining themselves to Mienyangs and Mienchews. **Hand Filatures.**—Further purchases of Crack Chops amounting to 600 bales have been made for New York, on the basis of Tls. 760-770 for M. H. Y. **Blue Dragon Extra.** There are now no sellers at this price. **Steam Filatures.**—A few parcels have been taken in fine sizes for Lyons at nominal prices. We estimate that **Steam Filatures** already contracted for amount to 4500-5000 bales, or rather more than half this season's output. **Waste Silk.**—Business has been on a small scale. **Curles I** have been hooked at Tls. 75. In **Frisons** there are no buyers at the rate demanded, home ideas being much lower, but lower Exchange may make business possible. **Tussah Waste** is in fair supply, but there are no buyers.

OPIUM.

HONGKONG, 16th September.

Quotations are:— Allow'ce net to 1 catty.		
Malwa New	\$1100	to — per picul.
Malwa Old	\$1190	to — do.
Malwa Older	\$1240	to — do.
Malwa V. Old	\$1300	to — do.
Persian fine quality	\$1050	to — do.
Persian extra fine	\$1120	to — do.
Patna New	\$1010	to — per chest.
Patna Old	\$1050	to — do.
Benares New	\$990	to — do.
Benares Old	\$1025	to — do.

PIECE GOODS.

Messrs. Noel, Murray & Co.'s Report on the Shanghai Piece Goods Trade, dated Shanghai, 7th September, 1905, states:—The interval under review will be notable for a time on account of the Typhoon which unfortunately struck Shanghai on the night of the 1st instant. As a storm it was nothing very remarkable, but in combination with the highest spring tides of the year, exceptionally high water in the Yangtze, and the wind from the N. E. blowing into the mouth of the River, it resulted in the most disastrous flood in the memory of the oldest resident, to use a hackneyed-expression. Of the wharves on either side of the River, as well as the private godowns in the settlement, very few came off scot free, also new buildings of not more than a couple of years standing, and which were constructed so that the floors would be well above the highest flood line. This disaster strongly emphasizes the importance of the clause in the Markey Treaty concerning Conservancy of the Whangpoo River. The new bundings that are being constructed promiscuously by private enterprise in various localities on the banks of the River are undoubtedly affecting its current, and unless some properly concerted scheme to deal with its whole course is promptly put in hand floods, and even worse disasters,

are quite on the cards. Even the very existence of the place itself may be jeopardised, considering the enormous weight in buildings, and their contents, that is being crowded on to a small area of alluvial soil. The question of liability is just now the all-absorbing topic, and a General Meeting of the Chamber of Commerce is convened for this afternoon to endeavour to come to some agreement—there being a great diversity of opinion. At the Chamber of Commerce Meeting held this afternoon a proposition was brought forward that a test case should be instituted to determine the liability or not of the Public Wharves for the damage to goods stored in their Godowns by the floods, but fell through on the Committee declining to father any such case. Eventually it was decided to appoint a Committee to determine the liability between buyers and sellers, so that all losses be settled on the same basis. Meanwhile trade is at a standstill. Buyers, anticipating that a large quantity of damaged cargo will be thrown on the market, are holding off, and clearances are suspended as the Shipping Hongs decline to handle any cargo without a guarantee from the shippers holding them free from all consequences if the goods turn out damaged. In compliance with an Imperial decree the boycott on American goods has been practically raised, and but for this question of damage they would be moving much more freely. The excitement caused by the peace news has quite subsided now. Large orders for goods were supposed to have come from Newchwang, but everything has been upset by the typhoon, and shipments are in abeyance. Naturally no further facilities for trading with the north can be available until peace is ratified, which means practically another two months. The Manchester market is reported quiet and unchanged. The usual bi-weekly telegram quoted the Liverpool prices for Cotton 5.80d. for Mid-American and 7½d. for Egyptian, but from private advices received this morning quotations have dropped to 5.69d. and 7½d. respectively. The export from Lancashire last month of Plain Cotton amounted in the aggregate to 43,000,000 yards to Hongkong and China, and 2,200 bales of Yarn to Shanghai. **Piece Goods.**—With the exception of the usual miscellaneous small indents for specialities forward business is at a standstill. The same may be said of transactions in hard cargo from first hands, with exception of the regular auction goods. Exchange has been a little steadier, the effect of peace on the silver market being rather uncertain apparently. News of serious floods in Szechuen have come in, and if the telegraphic advice of the height of the Yangtze in that Province is correct much greater disasters than have already occurred are likely to result, and thus further impede the Hankow trade. The River Ports appear to have escaped with but little damage, but Ningpo and district have suffered considerably from the typhoon. Yarns are in the same fix as piece goods; and but for a strong demand from Newchwang would have been as much neglected. The buying for the North, however, appears to have strengthened the market considerably. The typhoon has naturally caused a good deal of damage to the Cotton crop, but just how much it is difficult to say as yet. It is said forward contracts have been made for Newchwang at Tls. 29.00.

MISCELLANEOUS IMPORTS.

HONGKONG, 8th September.—The prices ruling are as follows:—

COTTON YARN—		per bale
Bombay—Nos. 10 to 20, ...	\$ 90.00 to \$128.00	
English—Nos. 16 to 24, ...	140.00 to 160.00	
" 22 to 24, ...	160.00 to 185.00	
" 28 to 32, ...	167.50 to 175.00	
" 38 to 42, ...	180.00 to 190.00	
Reported sales 15,600 bales.		

COTTON PIECE GOODS—		per piece
Grey Shirtings—6 lbs.	2.20 to 2.25	
7 lbs.	2.30 to 2.40	
8.4 lbs.	3.00 to 4.00	
9 to 10 lbs. ...	4.10 to 5.30	
White Shirtings—54 to 56 rd. ...	2.80 to 3.00	
58 to 60 " ...	3.10 to 3.60	
64 to 66 " ...	3.80 to 5.40	
Fine ...	6.10 to 8.00	
Book-folds ...	5.30 to 8.10	
Victoria Lawns—12 yards ...	0.80 to 1.00	
T-Cloths—6lbs. (32 in.), Ord'y. ...	2.20 to 2.30	
7lbs. (32 ") ...	2.70 to 3.00	
8lbs. (32 ") Mexs. ...	2.25 to 2.70	
7lbs. (32 ") ...	2.90 to 3.20	
8 to 8.4 oz., (36 in.) ...	3.25 to 3.80	
Drills, English—40 yds., 13½ " ...	5.10 to 8.00	
to 14 lbs.)		

MISCELLANEOUS EXPORTS.

HANKOW, Sept. 6th, 1905.—The prices quoted are for the net shipping weight excluding cost of packing for export:—

	Per picul.
Cowhides, Best Selected	Tls. 34.50
Do. Seconds	30.50
Buffalo hides, Best Selected	17.50
Goatskins, Untanned, chiefly white color ..	(nom.)
Buffalo Horns, average 3-lbs. each	(")
White China Grass, Wuchang and/or Poochi.....	12.50
White China Grass, Sinshan and/or Chayu ..	11.50
Green China Grass, Szechuen	(nom.)
Jute	4.75
White Vegetable Tallow, Kinchow.....	9.80
White Vegetable Tallow, Pingchew and/or Macheng	8.90
White Vegetable Tallow, Mongyu	8.00
Green Vegetable Tallow, Kiyu.....	11.80
Animal Tallow	10.50
Gallnuts, Usual shape.....	17.50
Do. Plum do.	18.50
Tobacco, Tingchow	(nom.)
Do. Wongkong	(")
Black Bristles	115.00
Feathers, Grey and/or White Duck ..	(nom.)
Do. " " Wild Duck ..	(")
Turmeric	(")
Sesamum Seed	4.00
Sesamum Seed Oil	(nom.)
Vegetable Tallow Seed Oil	(")
Wood Oil	8.30
Tea Oil	(nom.)

Per P. & O. steamer *Candia*, sailed on 15th September. For Liverpool:—2,300 bales hemp. For Buenos Ayres:—1 case silks. For Marseilles:—9 bales human hair. For Gibraltar:—2 cases cigars. For London:—9,865 bales hemp, 700 half-chests tea (from Amoy), 1,041 boxes tea, 2 cases silks, 20 rolls mats, 1,801 cases preserves, 2 cases cigars, 5 cases earthenware, 83 bales canes, 2 cases bird feathers, 23 cases chinaware, 14 cases woodware, and 380 packages merchandise.

SHARE REPORTS.

HONGKONG, 15th September, 1905.—We have nothing to relieve the monotony of our report. It is the same old wheeze, nothing of any importance to report, business slack, and rates, with very few exceptions, inclined to weakness. The money recently released by dividends paid appears to be mostly absorbed, and cash business has been curtailed in consequence. While forward business, although a small amount has been transacted on somewhat novel grounds, is practically speaking *non est*. There appears to be no elasticity or go in the market, and the field of operations seems to be getting more curtailed every month. It is most probably only a temporary phase, and one which will find its own cure in time, now that peace and prospects of improved business in the Far East is practically assured.

BANKS.—Hongkong & Shanghai, from the same cause as reported in our last, have continued to advance, and after small sales at \$887½, \$890, and \$895 close steady with buyers at \$900. The demand has this week been accentuated to some extent by the rumour of a new China loan, but nothing official is known about this, and although very probable the rumour must be accepted for what it is worth. National's unchanged and without business.

FIRE INSURANCES.—Hongkongs have found further buyers at \$336 and close steady at that rate. Chinas continuing in demand the rate has improved to \$86 with buyers and no sellers.

MARINE INSURANCES.—Unions have been placed during the week at \$767½ and \$770, and close with buyers at \$775; it is reported that the Society will recommend a dividend of \$40 per share. China Traders have continued to rule quiet, and after fair sales at \$80 the market closes with sellers at that rate. Cantons, Yangtses and North Chinas unchanged with no business to report.

SHIPPING.—Hongkong, Canton and Macao continue at \$26½ with buyers and no sales. Indo-Chinas remain very quiet but steady at \$93 with but a small business. Douglases have improved to \$35 with buyers on an authentic report of a dividend of \$3.50 about to be declared. Other stocks under the heading continue neglected and without business.

REFINERIES.—China Sugars, with a few settlement shares in the offing, have ruled quiet, and sales have been effected at \$230 for the 19th inst. Luzons are on offer at the reduced rate of \$17.

MINING.—No change or business to report.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks have been placed at \$193½ and close steady at that rate. Kowloon Wharves have found ready buyers at \$100, but shares are scarce and holders inclined to sit tight. Nothing else under this heading calls for notice.

LANDS, HOTELS AND BUILDINGS.—Hongkong Lands have been placed at the reduced rate of \$126, and close quiet at that rate. West Points remain steady at \$55, but without sales. Humphreys, after having been placed at \$12½, close on demand at that rate. Hotels have improved to \$146 with buyers.

COTTON MILLS.—With the exception of an improvement in Ewos to Tls. 52 buyers we have nothing to report under this heading.

MISCELLANEOUS.—We have no changes to report, and business under this heading has been confined to small sales of Watsons at \$14, Cements at \$28, and old Electrics at \$15.

Closing quotations are as follows:—

QUOTATIONS.	PAID UP.	QUOTATIONS.
Alhambra	\$200	100
Banks—		
Hongkong & S'hai..	\$125	\$900, buyers
		London, £80. 10s.
National B. of China	25	\$38, buyers
Bell's Asbestos E. A.	12s. 6d.	\$7, buyers
China-Borneo Co.	\$12	\$11.75
China Light & P. Co.	\$10	\$10
China Provident	\$10	\$9, sellers
Cotton Mills—		
Ewo.....	Tls. 50	Tls. 52, buyers
Hongkong	\$10	\$14½, sellers
International	Tls. 75	Tls. 44
Laou Kung Mow	Tls. 100	Tls. 57, buyers
Soychee	Tls. 500	Tls. 250, buyers
Dairy Farm	\$6	\$17, sales & buy.
Docks & Wharves—		
Farnham, B. & Co.	Tls. 100	Tls. 140, buyers
H. & K. Wharf & G.	\$50	101
H. & W. Dock	\$50	\$194, sellers
New Amoy Dock	\$6½	\$17, sellers
S'hai & H. Wharf	Tls. 100	Tls. 185, buyers
Fenwick & Co., Geo.	\$25	\$28
		\$25½
G. Island Cement. ...	\$10	\$28, sales & sellers
Hongkong & C. Gas.	210	\$175, buyers
Hongkong Electric.	\$10	\$15, sales & buyers
Do. New	\$5	\$9½, sellers
H. H. L. Tramways.	\$100	\$215, buyers
Hongkong Hotel Co.	\$50	\$148, buyers
Hongkong Ice Co.	\$25	\$237½, sellers
Hongkong Rope Co.	\$50	\$152
H'kong S. Waterboat	\$10	\$14, sales
Insurance—		
Canton	\$50	\$335, buyers
China Fire	\$20	\$86, buyers
China Traders	\$25	\$80, sellers
Hongkong Fire	\$50	\$336, sales
North China	25	Tls. 82
Union	\$100	\$775, buyers
Yangtze	\$60	\$172½
Land and Buildings—		
H'kong Land Invest.	\$100	\$126
Humphreys' Estate	\$10	\$12½, sales & buy.
Kowloon Land & B.	\$30	\$40
Shanghai Land	Tls. 50	Tls. 122
West Point Building	\$50	\$55
Mining—		
Charbonnages	Fcs. 250	\$490
Raubs	18/10	\$3½, buyers
Philippine Co.	\$10	\$9½, sellers
Refineries—		
China Sugar	\$100	\$230, buyers
Luzon Sugar	\$100	\$17, sellers
Steamship Companies		
China and Manila ..	\$25	\$20, sellers
Douglas Steamship	\$50	\$85, buyers
H. Canton & M.	\$15	\$26½, buyers
Indo-China S.N. Co.	210	\$93, sellers
Shell Transport Co.	21	21s., buyers
Do. Preference	210	28. 10s.
Star Ferry	\$10	\$33, sellers
Do. New	\$5	\$25, sellers
Shanghai & H. Dyeing	\$50	\$50
South China M. Post.	\$25	\$20, sellers
Steam Laundry Co.	\$5	\$8
Do. New	\$3	\$7½, buyers
Stores & Dispensaries.		
Campbell, M. & Co.	\$10	\$36
Powell & Co., Wm.	\$10	\$11½, buyers
		\$10½, buyers
Watkins	\$10	\$7, sellers
Watson & Co., A. S.	\$10	\$14, buyers
United Asbestos	\$4	\$9, buyers
Do. Founders	\$10	\$160

VERNON & SMYTH, Brokers.

Messrs. J. P. Bisset & Co.'s Share Report for the week ending the 7th September, 1905, states:—

During the week under review there has been very little business put through, and the changes in rates are mostly confined to a slight rise in Langkats and a decline in Farnham, Boyd's shares. On other stocks rates are fairly well maintained. The T. T. rate on London to-day is 2/8½. Banks.—H. & S. Bank. On the 1st September a transaction was made at \$895, ex 7½, and on the 4th local sales at \$885 ex 7½. The market is firm and the latest London quotation is £89.10.0. Marine and Fire Insurance.—No business reported. Shipping.—Indo-Chinas have suffered a slight decline, and shares have changed hands at Tls. 67 for September and Tls. 70 and 69½ for December, closing slightly firmer at Tls. 69½ for December. Shanghai Tugs. There are a few preference shares offering at the market rate. Docks and Wharves.—On the 31st August Farnham, Boyds were quoted at Tls. 145/46/47 for September, October Tls. 143/49, December Tls. 149/51½. This was the top and the remainder of the week a gradual decline took place from Tls. 145/44/42/41 and 140½ cash; closing at 140½ cash with Tls. 141 for September and Tls. 144½ December. S. and H. Wharves are slightly easier this week, and shares have changed hands at Tls. 190/89 for September and for December at Tls. 190/95/93½, closing with sellers at the latter figure. Sugars.—China Sugars are reported from Hongkong at \$234 buyers. Mining. Chinese Engineering and Mining Co. have been placed at Tls. 7½ for cash. Lands.—Shanghai Lands. A single transaction was done at Tls. 122. There are a few sellers at this figure. Industrial.—Cotton stocks. Ewos have been placed at Tls. 52½ and Tls. 52 October with buyers for cash at Tls. 51. Laou Kung Mows were done at Tls. 58½. Soey Chees changed hands at Tls. 250. Shanghai Waterworks were placed at Tls. 440. Langkats have strengthened considerably since the last report. The market opened at Tls. 167½ for September rising gradually to Tls. 170/72½/75; and for December at Tls. 175/77½/80/82½ and 185, with a slight reaction at the close, and a few shares offering at Tls. 182½. Cash shares are wanted and seem scarce. Sumatras have been placed at Tls. 68 cash. Stores and Hotels.—Astor House have been dealt in at \$27 and 28 for September. Hotel des Colonies at Tls. 18½ and 19½ cash and Tls. 20 for October. Miscellaneous.—Telephones were placed at Tls. 58, 58½ cash. Loans and Debentures.—Municipal 6 per cent. have been dealt in at Tls. 99; and 5 per cent. at Tls. 85.

EXCHANGE.

MONDAY, 18th September.

ON LONDON.—	
Telegraphic Transfer	1/11½
Bank Bills, on demand	1/11½
Bank Bills, at 30 days' sight	1/11½
Bank Bills, at 4 months' sight	1/11½
Credits, at 4 months' sight	1/11½
Documentary Bills, 4 months' sight	1/11½
ON PARIS.—Bank Bills, on demand	245½
Credits 4 months' sight	249½
ON GERMANY.—On demand	199½
ON NEW YORK.—Bank Bills, on demand	47½
Credits, 60 days' sight	48½
ON BOMBAY.—Telegraphic Transfer	145½
Bank, on demand	145½
ON CALCUTTA.—Telegraphic Transfer	145½
Bank, on demand	145½
ON SHANGHAI.—Bank, at sight	72
Private, 30 days' sight	72½
ON YOKOHAMA.—On demand	95½
ON MANILA.—On demand	95½
ON SINGAPORE.—On demand	9 p.m.
ON BATAVIA.—On demand	117
ON HAIPHONG.—On demand	1 p.m.
ON SAIGON.—On demand	Par.
ON BANGKOK.—On demand	61½
SEVEREIGNS, Bank's Buying Rate	\$10.20
GOLD LEAF, 1/0 fine, per tael	\$53.65
BAE SILVER, per oz.	28½

FREIGHTS.

From Hankow per Conference Steamers.—To London and Northern Continental ports 46/- per ton of 40 c. ft. plus river freight. To Genoa, Marseilles or Havre 41/6 per ton of 40 c. ft. plus river freight. To New York (via Suez) 32/- per ton of 40 c. ft. plus river freight. To New York (overland):—Tea G. \$1½ cents per lb. gross plus river freight. To Shanghai:—Tea and General Cargo, Tels 1.80 per ton weight or measurement.

SHIPPING.

ARRIVALS AND DEPARTURES SINCE LAST MAIL.

September—ARRIVALS.

8, Bengal, British str., from Shanghai.
 8, Chowtai, German str., from Bangkok.
 8, Holstein, German str., from Tsintau.
 8, Pronto, Norwegian str., from Haiphong.
 8, Taming, British str., from Manila.
 9, Aldgate, British str., from Moji.
 9, Kessler, Dutch str., from Pulo Sambo.
 9, Kohsiang, German str., from Bangkok.
 9, Kwangtah, Chinese str., from Shanghai.
 9, Loongmoon, German str., from Canton.
 9, Wosang, British str., from Canton.
 9, Zaida, British str., from Rangoon.
 10, Frithjof, Norwegian str., from Foochow.
 10, Hailan, French str., from Hoihow.
 10, Haimun, British str., from Swatow.
 10, Highlander, British str., from Kobe.
 10, Hopsang, British str., from Probolinggo.
 10, Hui, French str., from Haiphong.
 10, Kinkiang, British str., from Canton.
 10, Kwongsang, British str., from Canton.
 10, Saxonia, British str., from Moji.
 10, Sikh, British str., from Kirkenhead.
 11, Benlawers, British str., from Antwerp.
 11, C. Apar, British str., from Calcutta.
 11, Den of Mains, British str., from London.
 11, Glenfalloch, British str., from Singapore.
 11, Pakling, British str., from Shanghai.
 11, Rubi, British str., from Manila.
 11, Tyra, American str., from Tacoma.
 11, Yuensang, British str., from Manila.
 12, Bayern, German str., from Bremen.
 12, Choy-ang, British str., from Shanghai.
 12, Elis, Rickmers, Ger. str., from Bangkok.
 12, Haiching, British str., from Coast Ports.
 12, Hanoi, French str., from Hoihow.
 12, Hsieh Ho, Chinese str., from Canton.
 12, Iltis, German gunboat, from Macao.
 12, Kwanglee, Chinese str., from Shanghai.
 12, Phra Nang, German str., from Bangkok.
 12, Preussen, German str., from Yokohama.
 12, Siberia, Amr. str., from San Francisco.
 12, Tholma, Norwegian str., from Wakamatsu.
 13, Andalusia, German str., from Hamburg.
 13, Benledi, British str., from Shanghai.
 13, Candia, British str., from Foochow.
 13, Clara Jebben, German str., from Swatow.
 13, Germania, German str., from Hoihow.
 13, Hohnstein, German str., from Moji.
 13, Kwanglee, Chinese str., from Shanghai.
 13, Proteus, Norwegian str., from Tamsui.
 13, Shaohsing, British str., from Shanghai.
 13, Socotra, British str., from London.
 14, Amigo, German str., from Hoihow.
 14, Indravelli, British str., from Chinwantao.
 14, Merionethshire, British str., from Moji.
 14, Nanshan, British str., from Saigon.
 14, Zoroaster, Brit. str., from Christmas Id.
 15, Blackha, British str., from Sourabaya.
 15, Bullmouth, British str., from Taku Bar.
 15, Diomed, British str., from Liverpool.
 15, Kwangtah, Chinese str., from Canton.
 15, Tean, British str., from Manila.
 16, Chowfa, German str., from Bangkok.
 16, Eskdale, British str., from Rangoon.
 16, Haitan, British str., from Coast Ports.
 16, Helene, German str., from Hoihow.
 16, Hongkong, French str., from Hoihow.
 16, Longsor, French str., from Marseilles.
 16, Pekin, British str., from Moji.
 16, Sha-hsing, British str., from Canton.
 16, Wray Castle, British str., from N. York.
 17, Choy-sang, British str., from Canton.
 17, Hangsang, British str., from Shanghai.
 17, Kaifong, British str., from Cebu.
 17, Nicomedia, German str., from Portland.
 17, Promise, Norwegian str., from Anping.
 17, Sierra Blanca, British str., from Yokohama.
 17, Toonan, Chinese str., from Shanghai.

September—DEPARTURES.

8, Fukura Maru, Jap. str., for Sheiweiyan.
 8, Haimun, British str., for Swatow.
 8, Haitan, British str., for Coast Ports.
 8, Kampot, French str., for Saigon.
 8, Laos, French str., for Haiphong.
 8, Loongtang, British str., for Manila.
 8, Loosok, German str., for Bangkok.
 8, Simla, British str., for Shanghai.
 8, Singan, British str., for Chinkiang.
 8, Teenkai, British str., for Shanghai.
 8, Tientsin, British str., for Shanghai.
 9, Australian, British str., for Shanghai.
 9, Beugal, British str., for Europe.
 9, Chi-yuen, Chinese str., for Shanghai.
 9, Eastern, British str., for Sydney.

9, Gaes, German str., for Singapore.
 9, Kashing, British str., for Newchwang.
 9, Kinkiang, British str., for Canton.
 9, Laertes, British str., for Saigon.
 9, Onsang, British str., for Sourabaya.
 9, Zafiro, British str., for Manila.
 10, Banca, British str., for Cebu.
 10, C. Diederichsen, Ger. str., for Haiphong.
 10, Chunsbag, British str., for Saigon.
 10, Daijin Maru, Japanese str., for Swatow.
 10, Hohenzollern, German str., for Nagasaki.
 10, M. Struve, German str., for Tsintau.
 11, Aldgate, British str., for Kuchinotzu.
 11, Haimun, British str., for Coast Ports.
 11, Helene Menzell, German str., for Moji.
 11, Kwangtah, Chinese str., for Canton.
 11, Pronto, Norwegian str., for Haiphong.
 11, Wosang, British str., for Tientsin.
 12, Benlawers, British str., for Nagasaki.
 12, Coptic, British str., for San Francisco.
 12, Den of Mains, British str., for Nagasaki.
 12, Gregory Apar, British str., for Calcutta.
 12, Hercules, Norwegian str., for Kuchinotzu.
 12, Lennox, British str., for Callao.
 12, Loongmoon, German str., for Shanghai.
 12, Loyal, German str., for Tournon.
 12, Mercedes, British trspt., for Weihaiwei.
 12, Quinta, German str., for Chefoo.
 12, Saxonia, German str., for Calcutta.
 12, Sutton Hall, British str., for Port Pirie.
 12, Sungkiang, British str., for Iloilo.
 12, Taming, British str., for Manila.
 12, Tsintau, German str., for Bangkok.
 13, Bayern, German str., for Shanghai.
 13, Choy-sang, British str., for Canton.
 13, Frithjof, Norwegian str., for Shanghai.
 13, Glenfalloch, British str., for Amoy.
 13, Hailan, French str., for Pakhoi.
 13, Hsieh Ho, Chinese str., for Shanghai.
 13, Ischia, Italian str., for Bombay.
 13, Kinkiang, British str., for Shanghai.
 13, Kwanglee, Chinese str., for Canton.
 13, Montanes, American str., for Manila.
 13, Pakling, British str., for London.
 13, Preusse, German str., for Europe.
 13, Sikh, British str., for Shanghai.
 13, Tartar, British str., for Vancouver.
 13, Zaida, British str., for Amoy.
 14, Benledi, British str., for Kohsiang.
 14, Chowtai, German str., for Bangkok.
 14, Devawongse, German str., for Bangkok.
 14, Haiching, British str., for Coast Ports.
 14, Highlander, British str., for Singapore.
 14, Hui, French str., for Kwangchauwan.
 14, Iltis, German gunboat, for Amoy.
 14, Kwongsang, British str., for Shanghai.
 14, THOLMA, Norwegian str., for Canton.
 15, Candia, British str., for London.
 15, Hanoi, French str., for Hoihow.
 15, Shaohsing, British str., for Canton.
 15, Sumatra, Ger. str., for Wilhelmshaven.
 15, Yuensang, British str., for Manila.
 15, Zoroaster, British str., for Yokohama.
 16, Hohnstein, German str., for Chinkiang.
 16, Indravelli, British str., for Durban.
 16, J. B. Aug. Kessler, Dutch str., for Kobe.
 16, Kohsiang, German str., for Bangkok.
 16, Kwangtah, Chinese str., for Shanghai.
 16, Lyra, American str., for Tacoma.
 16, Maussang, British str., for Sandakan.
 16, Rubi, British str., for Manila.
 16, Socotra, British str., for Shanghai.
 17, Amigo, German str., for Hoihow.
 17, Diomed, British str., for Yokohama.
 17, Eskdale, British str., for Yokohama.
 17, Proteus, Norwegian str., for Tamsui.

PASSENGER LIST.

ARRIVED.

Per Bengal, from Shanghai for Hongkong, Messrs. C. Kring, W. Ehrhardt and Jones Ridges; for Marseilles, Sir W. Hillier; for London via Marseilles, Mr. B. Barry; for London, Mrs. House, Mr. and Mrs. Richardson.
 Per Australian, from Australia, &c., for Hongkong, Messrs. J. Fitzsimons and A. M. Vroeg, Viscount and Viscountess De Satge, Mr. Martin, Mr. and Mrs. Iboleon and 3 children, and Mr. McPherson; for Shanghai, Mr. D. McPhillamy and Miss Halley; for Kobe, Mr. J. Hunter and Dr. Ito; for Yokohama, Mr. J. Adams, Miss Ovans, Mr. W. Balcock, Mrs. Broham, Messrs. Gorett and A. Bell.
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DEPARTED.

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Printed and published by BERTRAM AUGUSTUS HALL for the Concerned, at 10A, Des Voeux Road Central, City of Victoria, Hongkong. London Office: 131, Fleet Street, E.C.